



BANKING FRONTIERS

February 2023 Special Edition

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Arun Jain
Chairman & Managing Director
Intellect Design Arena Ltd.

TECHNOLOGY & DESIGN THINKING CREATE THE NEXT WAVE

Intellect continues record winning streak at the Global IBS Sales League Table 2022

COMPETING WITH THE BEST IN THE BUSINESS – WORLDWIDE





BANKING FRONTIERS

February 2023 Special Edition

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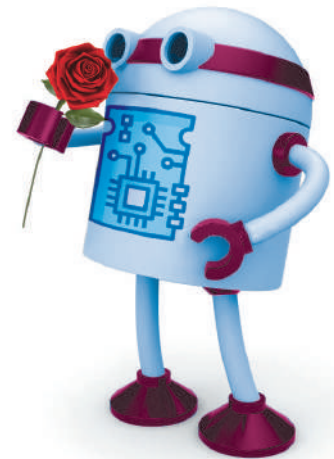


Editor's Blog

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A Glimpse into the Future

ChatGPT is taking the world by storm. With numerous reports, my curiosity quickly led me to it, and I experimented with it, asked some questions and got satisfactory answers. Then I read that it can also write poems, and that caught my attention. So I asked ChatGPT to write a poem about Banking Frontiers and about Finnoviti. I present the results for you to judge ChatGPT and to get a flavor of what the future will be like.



Poem about Banking Frontiers:

Banking Frontiers stretches far and wide,
New technologies on which they ride,
Blockchain and AI, leading the way,
Innovations that will shape the day.
Digital wallets, cashless too,
A future that is bright and new,
No more queues or teller lines,
Just quick and easy banking times.
Fraud detection, made more precise,
Security, now cut like a slice,
With biometrics, unique and true,
Your identity, always in view.
Remote banking, at your fingertips,
No need to leave your door, or make trips,
Virtual advisors, there to assist,
Your banking needs, they will not miss.
Banking Frontiers, ever-evolving,
A world, forever revolving,
With technology, it will never cease,
To bring us new banking peace.

Poem about Finnoviti:

Finnoviti, a name to know,
In the world of fintech, it does glow,
A platform for innovation,
Disrupting the financial nation.
From start-ups to established giants,
All gather to share insights,
To showcase their latest tech,
And make their financial mark.
With keynote speakers and panel talks,
Finnoviti, a fintech hub, it walks,
A space for networking and growth,
For the brightest minds to show their worth.
Finnoviti, a catalyst for change,
Bringing new ideas, range after range,
A platform for progress and success,
In the financial world, it will progress.
With its finger on the pulse,
Finnoviti, a true fintech muse,
Leading the way, with its vision,
In the future of finance, it will have a mission.

TECHNOLOGY & DESIGN THINKING CREATE THE NEXT WAVE

Truly reflecting the name of his company, Arun Jain, Chairman & Managing Director, Intellect Design Arena, assembles cutting-edge insights on intelligence and designing to explain a new wave that will usher in the next frontier of transformation among financial organizations. Edited excerpts from an interview with Manoj Agrawal:

Manoj: What is your understanding of the new wave of technologies such as AI, ML, cloud, IoT, etc?

Arun Jain: The concept of banktech wave becomes clear when we look at the computer journey from two perspectives – the hardware side and the usage of hardware/technology.

Wave one was mainframes with card machines. Then the major activity of computerisation was record keeping, general ledger and calculations, such as interest calculations. After that mini-computers and terminal desktops started coming in, which is wave two, which was about building applications for branch automation, back-end operations, etc.

Wave three is when products emerge, ie, the applications become technology products. Next came the fourth wave when large banks started moving towards creating a platform, such as an SME platform. For example, banks like HDFC Bank, ICICI Bank, IDFC Bank and Yes Bank started creating a platform based on a bundle of products to solve a particular industry problem. Wave five is coming in today, where the larger banks are moving towards marketplaces, for things like cash management, lending, SME, insurance, etc.

These are five waves on the domain side, and on the banking side. Waves have two sides – one works on usage and the second works on technology. Mainframe was a part of wave one, mini-computer was part of wave two,

client-server was part of wave three, distributed computing become part of wave four and cloud computing become part of wave five. These waves are related to each other, they don't work in isolation.

So what is the business side of the 5th technology wave?

Now because of cloud computing, the marketplace is possible. If there was no cloud computing, the marketplace would not have been possible. The opportunity for banks now is to ride the wave and move towards the marketplace. Most of the banks in India are on wave four. Banks like HDFC Bank and ICICI Bank are moving towards wave five. Some banks are still in wave three. Many of the smaller private banks are in the product space, and they are not even considering converting that into the platform. They're buying their technology products by product. Various financial organisations are in wave three or wave four or wave five. Decision-makers have to understand where they are in the journey. Domain and technology combination makes it very clear, and they feed each other.

Why do I call them waves - because they are not alone, they work in tandem. And one feeds the next. They keep coming one after another and enforcing and reinforcing each other. That's how the momentum is happening. That is why recognizing wave five is critical. The cloud ecosystem has matured and now it is no longer something to try or take a risk.

Many banks, in fact, now have a cloud-first strategy, like they have an AI-first strategy. What are the elements of the 5th wave?



For wave five, we have six elements which are critical and that the bank has to take care of. The first element is architecture. For the marketplace, you need to build the right architecture, in which the elements like data, microservices, events, etc, are separated from each other. The architecture must be very clean and clear, with no overlaps. That is required to connect via APIs and consume what is needed. Only then we can have a true marketplace. A marketplace cannot be created if the separation is not there. The second element is that the microservices have to be well-defined with clear input and output. All the microservices should be available in a vault for the application builder.

The third element is composability, ie, the ability to be able to choose the desired microservices and APIs. For that, what banks need is a composable platform. Our offering in that space is called iTurmeric. The fourth element for the marketplace is embedded AI. AI is absolutely needed in bank operations today. The AI should be embedded in the operations and not sitting separately or remotely, without which it is not possible to have the desired efficiency, real-time hyper automation and real-time decision-making.

The fifth element is data, ie, how you use the data for the entire ecosystem data and the reporting. The sixth element is extensibility. A bank will have some old systems and some new systems. Some will be on-premise and some will be in the cloud. How does the bank use them together, and that is extensibility. In a sense, it is having backward continuity.

To repeat, what is needed is Architecture, eMACH (Event, microservices, APIs Cloud, Headless), Composability, Intelligence, Data and Extensibility. And then we apply design thinking as a process of designing a bank ecosystem. Design thinking gives



Intellect Design Arena Head Office, Chennai

clarity as it makes the thinking process sharp. Thinking clearly is very difficult in the technology space as there is a whole lot of variety.

Being a global technology company, what are your observations about banks in India and abroad?

I think the change that is happening in the Indian banking system is phenomenal. Indian banks are growing and becoming bigger than European banks in terms of market capitalization. So if you take various banks in Europe, except HSBC, such as Santander, Barclays and other top 10 European banks, Indian banks are bigger than them. HDFC Bank is around \$112 billion, ICICI Bank is around \$73 billion and Kotak Mahindra Bank is around \$42 billion, Santander Bank is around \$63 billion, Barclays will be around \$33 billion, and Deutsche Bank will be around \$26 billion. These figures may be a bit older, but these figures are in that range. What this shows is that European banks are not able to handle the complexity. Indian banks have a great advantage of understanding the Indian market which has 1.3 billion people, but we have 600 districts. Customer profiling changes in every district. Good banks can design the system based on the profiling of the customers. European countries have a few million people- that's it.

For Indian banks, the 600 districts have to be converted to some 30-40 personas which will be there. How do you then service them? For that, they have to have the right technology and catch the right wave and not get caught in products with wave three or wave four

technologies, which are fairly static and where products don't talk to one another.

Technologies are changing very rapidly, and the speed of change has increased. AI and cloud both have accelerated the change, it is now 3X. AI is coming from one direction, cloud from another, microservices are coming from the third direction and fintech is coming in from the fourth direction. Now, if you don't react and respond to the situation, and unless you move towards the platform quickly, you will be stuck with the current approach of spending months on RFP and years on product. Those systems are not going to work out for India.

Coming back to the 5th wave technologies and the marketplace, please describe how you put it together and built it.

We have 1000 people in R&D; we have the largest R&D centre in India for technology. Over the last several years, when we move to intellect, we invested almost 7000 man-years in technology. We start building AI technology in 2017 in our US office, and we didn't have a lot of people in AI in India at that time. We hired some 20 people in the US, put some 70-80 people in India and created an AI team. We also recruited some people from UK and Europe. Like AI, the cloud was just coming up and was not very stable. Kubernetes was coming yet, containers were there and some new vocabulary was getting created.

The Indian teams became more broad-based around 2020. We still have a US team, but the Indian team is the largest.

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BANKTECH WAVE 5 **THE ART OF THE POSSIBLE**

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Okay, so 2017 is when it started, but at the time, what was the design thinking system that you put in place? Since you're dealing with a lot of new things, how does design thinking actually put all these new things together?

There are 3 key elements in design thinking - desirability, feasibility and viability. We understood the desirability in the bank would create positivity for them. We know the cloud is a great technology, but how to make it feasible? For that, we need to understand the security of the cloud technology, understand the CPU usage on the cloud, and how the domain will fit into the cloud technology. So that's the feasibility side. Then we need to make it viable - that cloud technology should not consume more horsepower than on-premises technology, because ultimately we have to save money for the customer. The viability and response time could be appropriate, because some functions in cloud technology may be more inefficient than on-premise technology.

So, we undertook the design thinking journey according to these three elements. It took us two years to do it, from 2017 to 2019. From 2019 onwards, we started applying this in various domains - retail banking, corporate banking, insurance and wealth. We started with the cloud, then with micro-services and then embedding AI.

We started selling in Europe and

getting acceptance. We won a very large deal in Germany, which was a delightful moment for us. It was a special moment for us which showed that our design thinking is working. Then a very large fund in Norway chose us - it is a \$1.3 trillion fund. They were looking for ESG compliance for which they needed an AI, and that AI has to be certified by someone. They invited 10-15 vendors, and we got selected for that.

Does this indicate that financial services moving more and more towards unstructured data?

What is needed is a balance between structured and unstructured data. We need to convert lots of unstructured data into structured data. Decisions will happen when unstructured data becomes structured data. They have to be ready to pull in data of any kind from anywhere. All sorts of data such as employee sentiments, and customer sentiment, from Twitter, YouTube or wherever. A lot of millennial data.

Do you think the Indian decision-makers evolving in a new kind of direction of thinking?

Few of them - I will not say all of us. Banks like HDFC Bank will pause they do slowly. The ICICI Bank after new leadership has not gone running behind the numbers. Banking is such a difficult business. So people are pausing and

thinking and looking at the landscape and learning. They participate, they talk and then they apply. And for that, they need to invest in technology and spend a lot of time in design thinking. Otherwise what happens is that some banker will say give me a supply chain finance product. But the product is only the technology. How to run supply chain finance? Who is the customer? How will they acquire the customer? There are so many such questions. If you don't pause on those questions, you will not get anywhere.

You have spent decades in technology. Do you think we are at a stage where we need a new definition of technology? What would be your new definition of technology?

We can look at it in two ways - the outer side which is applications or IoT or cloud - where we can see the outcomes. The inner part is the techniques of problem-solving. In technology, we have 3 resources - CPU, memory and disk. So technology is how to organize and optimize these 3 resources. The basics have not changed, whether in a computer or a cloud. So, when building new architectures, we should think in terms of CPU, memory and disk.

How do you see this new technology helping the end customer?

A lot of financial systems are broken. The KYC notices keep coming. Transactions fail periodically. If I face problems, how will the person in the village manage this? Our Mission Samriddhi, a social impact enterprise of Intellect dedicated to holistic human development in India, through the design and development of projects that are sustainable and capable of scale to positively impact the larger population. It works in the villages to understand these challenges. We are working in tribal villages where we work on issues relating to water, food, etc. We have started work in these places and are applying design thinking. It has taken us 3 years to start making the changes. It is a slow journey, but it gives me a lot of personal satisfaction. ■

Composable - the Next Generation Technology for Credit

Rajesh Saxena, Chief Executive Officer, Intellect Global Consumer Banking (iGCB), reveals how customers are changing, how banks are changing, what next-generation technology is coming, and how best bankers are prepared for the future:

Manoj Agrawal: When the customer is buying a product, what he/she is also seeking is a service in parallel, meaning, there are tangible and intangible components. Now technology as such is good for processing tangible things – whether it is a document or salary data or credit rating. But how do you see technology processing the intangibles, because, in today's era, customer experience (CX) is becoming more and more critical?

Rajesh Saxena: Let's talk about the customer of a bank or financial institution. He/she has five stated and unstated needs, in my view. The first thing that we are seeing is that this customer is demanding freedom to choose from a variety of non-binding offers. The second need that the customer is having is access to finance or a loan or a credit card in minutes. So, instant and real-time credit solutions are becoming important to the customer.

The third need is embedding credit in his lifecycle. To take an example, let's say one is on the Amazon website to purchase a refrigerator, and may not have the full cash and may want to avail of BNPL. The customer's expectation nowadays is that the credit is embedded in the engagement with Amazon, and she/he should not have to sign out of the Amazon website, go to the bank, ask for a loan and then pay it. So, embedding credit in the customer's lifestyle journey has become important.

The fourth trend is the ability to be onboarded seamlessly and execute transactions digitally, without the need of visiting the branch. Today customers are seeking seamless, digital solutions to sign and digitally execute certain documents instantly. Last, but not least,



Rajesh Saxena

customers want a unified experience across all channels. So, if you put the bank's customers at the center and look at their needs, you design your technology solutions based on that. As an example, credit card customers today would like to apply and get the card on the spot so that they can use it online and get the desired benefits on the move. Also, the onboarding should be frictionless, say by using facial recognition and similar technologies.

Technology has become the biggest facilitator of banking, and with so many options, what is required is to have the facility of a marketplace, where a bank can sign up multiple providers. Look at a practical example. If a bank has to approve and onboard a customer, it should be able to go to the credit bureau, the Aadhar database, the GST database, the registrar of companies, etc. All this should be dynamic rather than static.

Apart from these five common needs

across banks, I'm sure certain banks have a more focused role, say SME-focused or rural-focused or something else. They will come to you with some specifics. Do you have the capability to tweak the software to fit different needs?

We have helped create a comprehensive and composable 360-degree credit technology platform that we are launching in India, iKredit360. Let's say the bank is offering SME loans - it should be able to cater to all kinds of needs of SMEs. We have stitched together autonomous composable business components, allowing the Bank to launch curated credit offerings that are suited to their businesses. We are able to stitch all these solutions and deliver them to the banks. That's iKredit 360's core proposition. It's all about the ability to curate solutions so that we can fulfill the needs of the bank in the Indian market.

The second important thing is that iKredit 360 has relevant connections already built with key fintech and other players - with all the credit bureaus, registrar of companies, GST portal, UIDAI, aggregators, bank statement analysers, and various other fintech. With all this ecosystem already built in, it can save banks a lot of time. Traditionally, for a bank to launch a new product for which it needs to build this ecosystem, it will take a significant amount of time and effort. But with iKredit 360, this comes as a ready-to-use from gold loans to JLG to mortgages – everything.

Further, if a bank wants us to integrate with an external partner of their choice, we have the technology capability to integrate very quickly

through our iTurmeric cloud-ready, API-first and microservices-based platform.

What Cloud platform is iKredit 360 built upon?

We work with multiple Cloud partners across the globe, but our iKredit360 India platform is hosted and offered on AWS Cloud. We offer banks and financial institutions a SaaS model wherein they pay a relatively much smaller CAPEX amount upfront and then they pay as they grow. So they don't have to make a huge investment right at the start. This is actually a big step to help democratize credit in this country by making it affordable for the lenders, be it a public sector bank or private sector bank or NBFC, and thereby to the borrowers.

Do you also offer the option of running on-prem?

iKredit 360 platform is actually on the cloud, but there are large players like tier 1 banks who still want to run on-premise, i.e. a capex model. We will help them do that, but this is essentially a cloud-based platform, as per the trends observed globally.

Credit business is growing rapidly. How have you built in scalability?

Private sector banks in particular are interested in ramping up their business right now - whether it is SME business or credit card business or some other business. We work with one of the largest private sector banks in both the SME space and the card origination space. And we are seeing the kind of volumes and applications that they are pushing into the system. Especially, with business peculiarities like a spike in business volumes in the last 2 days of the month as there are targets to be met, festive seasons around Diwali, and so on. Our technology has the capability of being able to take these kinds of volumes.

What about rising demand growth among SMEs?

If you look at the pre-covid process of how banks were onboarding SMEs

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SME Marketplace
India's first end-to-end digital SME credit management platform which helps you launch your SME business in just 50 days

Cards Marketplace
The First 'Truly Green' Credit Card Solution, With The Power And Flexibility To Reimagine Or Build Your Cards Canvas

or granting them loans, basically a relationship manager would go to the SME or the SME person would walk to the branch and sit down with the relationship manager. The relationship manager would fill in the application on the system or pass on the documents to the back office. Then a decision will be taken in a couple of days, sometimes longer. Now, with covid, there is a need for tech for the banks to enable the SMEs to onboard themselves digitally. The SME person should be able to go to a microsite and upload all the relevant data sitting in his office. All that can be done with technology.

To accelerate the processing of that application, we have embedded AI with iKredit 360. We have algorithms where we are using machine learning and deep learning to be able to predict the risk profile of the customer and enable rapid credit decisions by the bank. We have built some propensity models which can help the Bank, based on the past data, to qualify each application.

Today, innovation is a key driver of growth and customer satisfaction. And this is giving rise to a huge variety of products. With this trend, what do you think is the right kind of technology to support innovation?

I think this is an important trend, and we call this hyper-personalisation. Today, the technology has the ability to deliver not only 20 types of cards but 200 or 2000 types of cards. Banks have

to take a practical view of how much they should go for hyper-personalisation, but technology is not a limitation.

The interesting part is that the banks don't even have to come to the technology vendor, they are empowered to do it themselves. What we at Intellect offer is composability, which allows you to make these choices on the fly and launch products to the market. iKredit 360 platform comes with this capability.

What are banks asking Intellect in terms of getting a competitive advantage?

Banks are asking how technology can help them to grow their business and acquire new customers while driving cost efficiencies. How can the process be seamless and how can they leverage multiple channels? One key leverage for banks is that the solution enables them to approve the loans in real-time. The bigger part is using machine learning in certain user journeys, such as recommendations for buying the next product.

Another big thing for banks is digitising their entire operation. One manifestation of that would be that rather than asking customers for data or getting them to call or visit the bank branch, give the customer self-service options where the customer can do everything on a mobile app or on the website.

So, to summarize, it is acquiring new customers through multiple channels in

a very seamless manner, making a quick decisions, ML-assisted next-generation customer journeys and digitising operations, so that cost of running becomes lesser and volume is larger. Cost increases should not be linear.

We did a story sometime back on a UK-based bank called Wise where with one account, you get 54 currencies which can be used across 80 countries. Tomorrow there may be a legal cryptocurrency and there is already a digital rupee. How do you build systems that give multi-currency options for a single account?

So, you can have a rupee account, you can have a dollar account, you can have a euro account, whatever. For example, today take a use case of a travel card. If you are travelling to the UK, you will take a travel card or forex prepaid card with UK pound, and tomorrow, if you want to go to Europe, you will take another plastic which will have a prepaid euro. But the better solution is to have one card which can handle multiple currencies. The currencies can be loaded online or using a mobile app. So the customer doesn't need multiple cards, just one card. Likewise, one account.

How are you making your system ready for any future regulation?

First of all, predicting future regulations is difficult. However, since we have developed and built the whole system with design thinking at its center, we have very flexible rules and configurations. Also, with the iKredit 360 platform for India, we take care of all the regulations. So as and when any new regulation comes, we will incorporate and make our platform comply with the regulation. So that's the advantage of the platform. Banks don't have to individually decipher the new regulations and give the specs to the technology vendor. This platform will automatically take care of all the regulations for the banks.

In your meetings with some of the clients, what are some of the key things

they are wishing for? What kind of learning do you have from that?

The good part about the Indian market is the scale of the opportunity it presents, as compared to some of the other markets that we do business in. So, when I get a chance to talk to business people, they're only talking about - How can I do more business? How can I digitize? How can I acquire customers digitally? How can I launch new products on the fly?

How can I collaborate to increase my addressable market? So, it's all about agility, about being able to do it with speed and to increase market share. It's about getting more business. So that is what business is telling us. When I speak to CEOs and operations people, they are really asking how to reduce costs. The banking businesses are becoming cost-competitive, and cost-to-income ratios are gaining increasing importance.

When you look at the cost of a bank, 60% of the cost is sitting as part of legacy technologies and operations. If you can somehow modernize your systems, you fundamentally change your cost-income ratio. The third thing that banks are saying is how to empower their customers, and how to hyper-personalise. When a customer logs in, he/she should be able to get a very personalized experience.

Machine learning is another big area you can do many things with. It can improve your risk-reward equation. It can help you take out costs. It can help you upsell and cross-sell. I think this is where the banks are really looking at investing more.

What do you envision the senior banker of tomorrow to be like, maybe once you have all these kinds of systems in place?

Fundamentally, Senior bankers will largely have the same abilities that they have today. But one thing they must adopt is a good understanding of what technology can do for them. What are the latest technology trends? How will they evolve in the future? And what do we have to do to keep pace with it?

Earlier, technology was a CIO or a

iKredit 360

CEO decision. Today when we talk to the banks, most of the time we are not only talking to CIOs and CEOs, but also with Heads of Business and/or Operations. They have a fair appreciation of technology, and what it can do for them. I think this understanding and appreciation is a must, and if you don't have it, you need to upskill to inculcate this from a senior banker/leadership perspective.

Does that mean that people who already understand technology will find it easier to rise up the ranks in typical banks?

I think you are right....but technology is changing so rapidly that there is a need to learn new things. In addition, lots of things are changing at a rapid pace... so you have to forget some of the earlier learnings and adopt new skills.

I think most people now appreciate the power of the art of the possible. What can you do with technology that can change things in a quantum manner? I feel that over time, technology has become the backbone of the banking business.

It is the most important differentiator now-Gone are the days when a bank could claim to have the products or the distribution strength. Now distribution has gone digital today and hardly anyone feels the need to go to the branches.

We feel that we are now in the 5th wave of the technology evolution, and what it has enabled is an ecosystem-based approach to the platform. That is why we are able to offer the power of the marketplace as our platform offering. We launched this in Europe in 2021 and now are bringing it to India in 2023. Our belief is that this is the first of its kind in India, leveraging on a fair amount of our learnings in Europe.

Thank you Rajesh for an insightful discussion and a fresh new perspective on the Banking and Credit market in India. ■

The Consumerisation of Commercial Banking: Beyond a Fad and Here to Stay!

Manish Maakan, Chief Executive Officer, Intellect Global Transaction Banking (iGTB) and Uppili Srinivasan, President & Business Head - Digital, Payments and Corporate Treasury Exchange, iGTB explain in detail how the new age fintech approaches are impacting commercial banking and how iGTB is leveraging new technologies and developing new architectures to create the new future.

The banking industry is rapidly changing, and in the next decade, it will witness significant and fundamental shifts that will reorder the industry. Banks need to define their purpose and set a course not just for modernisation but for true transformation.

Commercial banking has been experiencing significant changes in recent times, and these changes are expected to have a far-reaching impact on the banking industry. In the coming decade, commercial banking is bound to be reordered dramatically. Therefore, banks must evaluate their future strategies, not only to modernise their systems but to undergo transformation truly. Understanding the customers' needs and providing a best-in-class user experience is essential.

In this regard, the Consumerisation of Commercial Banking (COCB) emerges as a critical strategy for banks to compete effectively in the new consumer-driven economy.

Consumerisation is the emergence of individual customers as the primary driver of product and service design and COCB is the impact of an individual customer's wants, needs, and behaviour on commercial banking products and services. COCB is all about catering to the customer's transactional and emotional needs, and it ensures that the entire user journey is designed to guarantee a best-in-class user experience.

We distil this down to 6 tenets of consumerisation, and then we ask banks the question if this is a distraction to your core agenda, or if it is a vital lever to use for executing your core agenda.



Manish Maakan

The 6 key tenets to COCB that banks need to understand and have a gameplan to embrace are:

1. Hyper Personalisation: The first tenet deals with treating each customer as if they are the only one, a segment of one. The use of extreme personalisation not only boosts customer experience and enables trust building but also has a beneficial influence on net revenue and lowering of cost.

Hyper personalisation is a core tenet in retail banking, as it should be a natural aspect of a bank's strategy. However, in commercial banking, some banks may focus on the enterprise as a whole, rather than the individual user within that enterprise. Our perspective at Intellect is slightly different. We recognise that each individual user within an enterprise has a specific role with its own set of KPIs, and they bring their unique persona to that role.

We believe that by considering all of these factors together, we can achieve a more comprehensive understanding of the customer and deliver better outcomes.

2. Real-time, Connected Journeys: Any outcome that a user is trying to achieve is actually made up of a number of journeys that are more connected than one might imagine. Embedding the right technology enables customers to present their context only once which can then propagate to each service provider in the entire journey.

For instance, when you visit www.booking.com, it provides you with real-time updates such as the number of people who just booked a room or the number of rooms remaining. Additionally, it informs you of the number of individuals who have booked a similar room within the last 24 hours. These real-time touchpoints are crucial in embedding immediacy within the transaction and decision-making process, as they help to create a sense of urgency and increase the likelihood of making a purchase.

Another example is the travel industry, where www.expedia.com offers a range of services such as airline tickets, hotels, local transportation, and trip advisories. They have recently integrated weather conditions, providing travellers with the necessary information to plan accordingly. The challenge is how to integrate the user journey seamlessly and create a frictionless experience on a large scale, regardless of whether it is during holiday sales or sporting

events. It is essential to ensure that your infrastructure can scale up in all such situations.

- 3. Action-triggering Insights:** In the continuum of serving Information, offering Analytics, enabling Decision making and executing Transactions (the IADT paradigm), the mere provision of information or acceptance of readymade instructions to execute in an order-taker manner is passé. Banks need to operate on the sophisticated end of this spectrum where they use analytics to enable decision-making and then execute the transaction.
- 4. Immediacy:** Recommending actions is good. Driving urgency and having them executed immediately, in a risk-free manner, is better!
- 5. Desire & Trust-based decision making:** The two most important factors a consumer uses to make or rationalise a decision are a) desire for the product or service and b) trust in the provider. Desire and trust have relevance not only at the point of sale but also during the entire lifetime of the relationship. Banks need to address both these elements with their offering set.
- 6. Friction-free experience – even at scale:** The consumption pattern in the world of consumers is not uniform. There are points of inflection where the scale explodes significantly. However, the end user would accept no compromise on his or her experience being friction-free – even at scale. Having the right kind of technology architecture to address this is key.

Manish Maakan, CEO, iGTB, said, “Commercial banking is about to undergo a dramatic change that will drastically change its technology roadmaps. Modernisation by itself won’t be sufficient. Banks need to make plans for a future that embraces rapid change and satisfies unheard-of client needs. Consumerisation of Commercial Banking allows banks all over the world to effectively compete in the new consumer-driven economy in addition to undergoing digital transformation.



Uppili Srinivasan

He added, “iGTB has used design thinking to construct commercial banking services that contain contextual products, platforms, solutions, and banking-as-a-service capacity to support banks adopt this trend. They are supported by a system known as the Commercial Banking Operating System (CBOS), which is an architecture built on composable, contextual, and hyper-scale technology.”

Uppili Srinivasan (Upps), President & Business Head - Digital, Payments and Corporate Treasury Exchange, iGTB said, “From a digital strategy standpoint, there is an overarching theme of customer experience that banks need to focus on. This involves understanding the stated and unstated needs of customers and connecting the dots to deliver a friction-free experience. iGTB recommends that banks adopt a three-pronged integrated strategy to embrace the COCB. The first step is to think contextual and design products that can cater to specific customer personas. The second step is to choose the right kind of technology architecture that can deliver the tenets of consumerisation. The third step is to develop products and services that can be individually assembled, offered on a platform, or embedded on a banking-as-a-service construct.”

Adapting to Change: How Commercial

Banks are Responding to Shifting Landscape:

Digital transformation for banks involves looking at the transformation piece holistically from both the outside and inside. The future of banking, he believes, will be driven by the adoption of the right technology and open-mindedness to collaboration opportunities with new emerging models.

iGTB’s Strategies to Empower Banks and Drive Transformation Beyond:

iGTB is finding opportunities in all aspects of digital banking, including channel propositions, cash payments, liquidity management, virtual accounts, sub-accounting, escrow, trade, and supply chain. He notes that banks are looking for solutions that can creatively wire these large product blocks together, and iGTB is well-positioned to do so.

Single Global Ecosystem of Consumerisation:

A single global ecosystem of consumerisation for liquidity, investments, deposits, cash management, payments, virtual accounts, trade and supply chain finance is powered by Commercial Banking Operating System (CBOS). It is brought to life by four tiers that include contextual products that offer a sharply differentiated set of products with context as the driver, solutions that combine products for fulfilling the holistic needs of the customer, and platform that combine products, solutions and capabilities from multiple providers, and banking as a service with embed services within a customer’s ecosystem, and reshaping consumption patterns of end customers.

In summary, the banking industry is undergoing significant changes, and banks are looking to adapt to these changes by focusing on customer experience and adopting COCB. The future of banking will be driven by technology adoption and collaboration opportunities with new emerging models. iGTB is at the forefront of this change and is well-positioned to help banks adapt and thrive in this rapidly evolving industry. ■

Not point innovation, but scale innovation

In a focused discussion with Manoj Agrawal, Ramanan S V, Chief Executive Officer, India & South Asia, Intellect Design Arena, reveals the company's thinking on innovation, technology and disruption that is propelling the company forward:

Manoj Agrawal: Please give an overview of Intellect in India today.

Ramanan S V: Intellect has 3 lines of business – Intellect Global Transaction Banking (iGTB), Intellect Global Consumer Banking (iGCB) and Intellect AI. iGTB covers corporate banking, cash management, trade finance, liquidity management, etc. iGCB has a core banking solution for central banks. Reserve Bank of India and 12 other central banks use this solution, called QCBS. We have a credit card origination and management platform and a comprehensive suite of lending products – which can be for agri, SME, corporates, and many other customer segments. Intellect AI builds AI capabilities that are horizontal. It started with insurance submissions solution for the North American market. We have another horizontal product called Magic Invoice which handles accounts payables and is industry agnostic. We also have wealth management solutions which cater to the needs of banks and pure-play wealth tech in portfolio management and wealth advisory space. We also have solutions for custody, brokerage and treasury. That is the gamut of solutions.

We have a large clientele in India, starting with RBI using our core banking and treasury solution with \$500 billion of assets across all asset classes. The e-services portal of LIC runs on Intellect, as does AMFI's MFU. Government of



India's e-marketplace GEMS runs on Intellect. NABARD's treasury and lending runs on Intellect. Among commercial banks, SBI, PNB, BoB, UOB, CBI, ICICI, HDFC, and Axis – all have some products running on our technology.

There are so many disruptors trying to make a mark on the industry, inspired by Amazon, Uber, etc. How does Intellect forecast the banking scenarios of the future, and then accordingly prepare itself?

Let us look at the fintech space, and I don't consider us to be in that space. You can consider us as TechFins. Most fintechs are in a specific area of

origination. One of them may be reaching out to teenagers and offering them credit cards....however, at the back end, the card is being supported by a bank. So many fintechs originate lending but the back end is a bank or NBFC supporting the loan and taking the credit risk. These fintechs are using technology extensively for the front office, but technology is also equally needed in the mid-office and back office.

What is Intellect all about? It enables banks, NBFCs and other financial institutions to compete with these fintechs by having their own technology. For example, the largest credit card issuer in the country, incidentally one of the largest private sector banks in India, uses Intellect technology to originate cards. We are multiple times any of the players in the country. What is our differentiator is that we have the same set of new-age technologies, which we have built as MACH-compliant. MACH is Microservices based, API first, Cloud native and Headless. This architecture enables high scalability, which can deliver what we call contextual and composable solutions.

Contextual means that if the solution is to be offered to a particular person, it is customized for that person taking into account his credit history, banking history, demographic history, etc.

Composable means that even though



lending is lending, most banks have different systems for different loan types such as agri, gold, SME, etc. If the same customer is present in multiple spaces, he will go through different journeys for a gold loan, scooter loan, a home loan, etc. Can the journey be unified to give the customer a seamless experience? We are doing this transformation for the MSME segment for one of the largest private sector banks. If the customer is an SME in Tirpur, he does not need a relationship manager. He can log in and decide what offers the bank has and choose something suitable. This kind of disruption is not only about origination, it spans underwriting, disbursement, collections, decision-making, etc. No customer is willing to wait days for the sanction and disbursement. Every step should happen faster. This is what we are enabling through all our product lines. We call it Embedded AI.



Is this ahead of what the fintechs are doing?

We are playing a much broader game compared to the fintechs. For example, if a document comes for a credit decision, this is processed through our AI/ML and you don't need an employee to review it and then tell the salesperson you have not collected this information, please go back and get it. AI hastens the process because the sufficiency is checked at the time of document collection itself.

Another source of shaping the future is big techs, especially in the financial space. How do you see them and what they might be bringing into the ecosystem? An example is ChatGPT.

We are in a world of ecosystem play; we can't push them away, we have to collaborate with them. They bring certain strengths, and so do we and fintechs and banks. How we all live in a collaborative world is the road ahead. In our MACH architecture, we have API first, which is open API, which gives anyone consent to consume the customer's data. It also gives the bank the ability to consume data from multiple sources, such as CIBIL or Account Aggregator. The world is moving

towards ecosystem play and we are ready for that.

So ecosystem is the playground where collaboration and competition take place?

Correct. Each party brings its strengths to complement the other. The cloud is a key component of the ecosystem. We have tie-ups with Microsoft Azure and AWS globally, so we are able to enable our customers to move to the cloud faster. We are working with one large central bank where we are creating on-prem virtualization and cloud engagement for our CBS. In our Magic Submission platform, we have the ability to collect data from relevant third-party sources and triangulate it for empowering the underwriting insurance for commercial lines. Another space we are foraying into is ESG. A large Norway-based investor is using our solution to check ESG compliance among their investee companies. Investors are more concerned about where they are investing rather than just looking at profit maximisation.

Banks were riding a single wheel of transformation – technology. Now they

are riding two wheels - innovation and technology. What have you observed about which wheel tends to be a leader in which scenario or in which kind of organization? Do you think this same trend will continue, or do you think one of them will outpace the other?

First, it is clear that both technology and innovation have similar objectives. These objectives are four-fold. First is an increase in revenue. The second is a reduction in cost. Third is doing it faster. Fourth is doing it with quality. Innovation comes in various forms such as pricing, packaging, etc. But what is technology-led innovation? There is so much talk about RPA and AI/ML and Blockchain – these are all technologies for use in processes that can enable innovation to succeed. Take the example of a private sector bank we work with. They have a large number of corporate customers, who want a variety of reports to be generated for them. The complexity is in the huge and growing variety, not just in terms of data, but also timing, format, triggers, integration, etc. For bank customers, certain reports have to be immediate rather than the end of the day, such as payment is received from a customer

to activate a particular service. The customer expects immediate activation, not the end of the day or the next day. Other reports can be at the end of the day. So, we introduced hyper-automation in the process by putting together AI & RPA. Now the bank can define what reports are at what frequency, who should be the recipients, are the reports pushed or pulled – everything can be set up so that the reports can be created and delivered without any manual intervention. We call this ‘low touch, no touch’ automation.

The fact is that reporting comes from multiple systems like collection systems, core banking, fraud control, etc. If one of the systems is not accessible, then the report cannot be produced. That is why there is a low-touch option. With this system, there is no need for the client to come to Intellect to configure the system.

The bank is looking at creating a marketplace for reports so that customers can create reports in their own format. This kind of innovation is not visible at the front end, but for the bank and the corporate user, it is phenomenal.

Now is this innovation or is this use of technology? It is both, and it is a collaboration between both to achieve a common purpose. Many times the benefits of combining both are multiple.

Here is another example. We are working with one bank which has a sourcing partner for credit cards. We issue the credit card in less than 2 minutes – a virtual card is generated, and the customer can start spending on some e-commerce platform in just 2 minutes. The physical card gets printed and delivered in a day or two. That is again innovation which brings about speed to market, which boosts revenue for the bank. This helps the customer when there is a special offer for an iPhone or things like that for a specific bank’s card.

There are two perspectives on this immediate virtual card. One is the immediacy as described. The second is that it also enables green. If the customer says that I am going to use this card only for virtual and I don’t want the physical



card, ESG compliance increases for the bank. With UPI coming in use for credit cards, the customer won’t need the physical card. This is another interplay between innovation and technology.

These examples appear to be of innovation-leading technology. Any example where technology leads the innovation?

Good question. The examples I have given are from a consumer banking perspective. Now corporate banking is asking for similar things. Just as we can make immediate payments on the mobile, corporates are asking for the same, but with additional controls as to a number of approvals, who can make how much payment, who can pay to whom, etc. Also, look at the backbone for payments. We all know that NPCI has done a great job. The backbone connecting the banks and the RBI is Intellect. So there is a lot of technology and innovation at the back end. While innovation looks nice and sexy, technology is what is needed to enable that. In both examples, the role of technology is absolutely critical.

Intellect as a technology engine is understood. Tell us about Intellect as an innovation engine. Would you say that Intellect is a disruption engine?

In the Indian context, banking technology has grown in three specific areas. One area is wealth tech. The

personal wealth of individuals increasing. Earlier, wealthtech was restricted to HNIs, then it came to mass affluent and then it came to mid-market. Now it is about an individual who wants to invest Rs 500 in a mutual fund also. So, technology is needed to cater to all these. If you think of wealth management, your mind will conjure a relationship manager who will come to you, fill up a form and complete the transaction. For HNIs, the affordability of the RM is there. For mass affluent or mid-market, the number of customers that an RM has to handle is much larger. How does the RM understand and remember each customer? We are bringing the technology for the RM to handle a larger number of customers. Technology brings the ability to give nudges to the customers and to the RMs, using AI/ML technologies.

Technology also needs customization for each customer and each RM. Earlier nudging was that research would recommend 4 funds and the RMs would push those 4 to everyone. Now the disruption is that the offer is different for each customer. This nudging technology is our disruptor.

Similarly for SMEs, customisation and nudging are a disruptor in today’s context. Even in corporate finance, transaction banking, supply chain finance, etc, we are bringing disruption. Currently, the supply chain financing market is Rs 600 billion and 69% of SMEs don’t have access to

bank financing. Imagine reaching that 69%. The Rs 600 billion can become a Rs 2000 billion market or more. SMEs have repeatedly said they prefer taking a loan from someone they know, even if it means paying a higher interest rate than going to a bank because the time taken in a bank is precious. Also, there is no guarantee that they will get the loan. We work with a very large PSU bank, which has tied up with an oil marketing company as an anchor client, and all the petrol pumps which work for that company can get loans from this bank, and there are 26,000 such petrol pumps. The pumps get loans at a cheaper rate of interest as the loans are guaranteed by the oil marketing company. This is again a disruption. If a large PSU bank can do this, so can a tier 2 bank and an NBFC? Yes, they can thanks to technology.

Given that the government of India wants to strengthen India's supply chain, this could be a national imperative?

MSME is the lifeline for any country, and financing is the oxygen to these MSMEs. We are working on two major Digital Transformation of Trade and Supply Chain Finance in Asia (Singapore) and Europe. We are also working with numerous Indian banks. Digital-enabled supply chain finance for MSMEs is the route towards the \$5 trillion economy.

Looking back at the digital transformation among banks in India, what are the lessons learnt that will be valuable for any other transformation in the future?

Look at 2 perspectives. First is that international banks spend around 8-10% of their opex on technology, whereas Indian banks spend only 2-3% on technology. The private sector banks are upping this to 7-8%. Also, PSU banks are committing to larger spending. Union Bank of India reported a budget of Rs 10 billion. Banks have realized, thanks to covid, that whoever invested in technology had an advantage over those who didn't. Second, look at the market capitalisation of Indian banks vs global banks. Indian banks are on par or better



than European banks. This means that the strength of our banking system is now appreciated globally because the market is a reflection of the strength of the system.

Payments are an example of how we have leapfrogged. The new thing is Banking as a Service, also known as embedded banking. Say a bank is servicing a school. Instead of reconciling each student's fee payment, the bank can open up virtual accounts for each student and there is no need for reconciliation. Same for housing societies where virtual accounts simplify accounting. This can also be used to offer additional financial services. The other disruption is in pricing models. Previously, the banking model would buy a software license and pay only AMCs. Now subscription model has come, so that new technologies are affordable irrespective of the size of the bank, because of the shift from capex to opex. This new system has greater efficiency and transparency.

What are the emerging technologies that Intellect is placing its bets on for the banking sector?

Intellect has always been at the forefront of taking bets. When people first started talking about API, AI/ML, etc, there were insufficient skill sets in India. We set up teams in US, Poland

and Portugal. That helped us be ahead of the games in terms of the architecture of these technologies. As we see into the future, we see embedded AI as a futuristic area, where every technology space will have some amount of AI capabilities. Let me share an example of how we have used embedded AI in the origination process. We have a technology called Doc2API, which has the ability to read structured and unstructured data. If a customer emails his documents, our technology will open the email, read the documents, understand the sufficiency of the document, understand the context of the document, and revert back to the customer saying things like you have sent such and such documents, you need to send what more. Alternatively, if the documents are sufficient, it will proceed and send the documents to the underwriter for processing.

Consider an accounts payable process. Suppliers will send you invoices, but someone has to validate whether a purchase order has been given, what quantity has been ordered, what date has been set, and what documents are required to release the payment. All this, which is done manually now, can be done with embedded AI. So these examples illustrate the coming disruptive future and how we are betting on the relevant technologies. ■

Intellect AI gives a boost to hyper-personalisation & hyper-automation

In a free-flowing conversation with Manoj Agrawal, Banesh Prabhu, Chief Executive Officer, Intellect AI, explores the practical applications of AI, with an emphasis on the insurance sector:

Manoj Agrawal: Intellect AI spans wealth, insurance and capital markets. Why intellect AI?

Banesh Prabhu: What we are doing compared to the other business lines is we are focused on data, business intelligence, and creating differentiation vis-à-vis traditional banking and financial services products. We do this by adding AI capabilities to make the product and the journey far more personalised and contextualised for the customer.

Take an example of wealth management where there are so many companies providing advisory and transaction processing capabilities. What we offer them is an overlay that touches on different aspects of wealth management. One aspect is how we use intelligent data models to improve the experience that the customer gets from the relationship manager or the financial advisor. Customer experience improvements along with intelligent data information can trigger a good great conversation between the RM with a lot of information available at a single point.

When I say information availability, it is not limited to what the bank's products are, you can actually go out into the ecosystems to bring a full 360-degree customer experience. Only then can the RM have a complete conversation with the customer.

What else for AI apart from customer experience?

So, one important part of AI is the customer experience which is enhanced with a lot more quality information. The second part is what we call hyper-automation. I think we are reaching a world where we are pretty much-eliminating operations, and in the next 5-10 years, operational activities will become even more streamlined. The way we operate on our mobile is very different from what we



Banesh Prabhu

did about 5-10 years back - things are far easier and straight through, which doesn't require a lot of operations.

There are many areas in wealth management and insurance which have a lot of friction in operations. So we bring intelligent AI tools for things like intelligent document processing, which we call Dr. API. We have a data platform that extracts information from documents and ensures the customer and the bank that the documents lead to data level in each form.

Think of an email with a PDF attached. Capturing the email information and the PDF information. This intelligent AI platform will also tell you which fields the customer has not completed and tell the customer to fill it straight away by an automated interface. So no one needs to look at the documents to fill in the missing information. There are many other areas. Hyper-automation is going to eliminate operations friction and operational time that a relationship manager spends on wasteful work rather than focusing on quality advice.

AI is also a force for personalisation.

Yes....the third piece of AI is basically to help the relationship manager focus on hyper-personalisation, meaning focus more on the customer's actual profile, what they do, what kind of risk levels they have and provide the right products to match the customer and also see, how the portfolio is performing for the customer, what is the potential for churning the portfolio, what is the performance against the modern portfolio, etc. These are examples of how AI feeds different areas to enhance the functionality of the existing wealth platform.

We have very good functionality, and we are very well-rated externally. Most of our competition is international players. For example, in wealth, my competition is a Swiss company called Avaloq. I do not want to talk only about functionality with which we are replete, we would like to talk about AI as a way of the future to improve all these legs that I described. If we get all these legs right for the bank, the bank is most likely going to reduce its costs and improve its revenue and margins.

How is your AI different from many other AI solutions in the market, especially from the big techs?

There are a lot of good AIs, but they need to be contextualized for a specific space. In our case, it is wealth, insurance and capital markets, which includes managing a mutual fund. We also do custody management for pretty much all the Indian banks like SBI, HDFC, ICICI, etc. However, the business that is scaling up a lot is our US insurance business. It was born on the cloud, and an important part of this whole data and digital and AI journey is to be 100% cloud and 100% SaaS. We run all our clients in the US insurance business on the cloud.

What your description indicates that AI has traditionally been described as having a

great destination, but you are describing AI as having a great journey as well?

This is absolutely right. The challenge for all insurers is how to go from where they are to their vision. We help implement the AI journey. From an Intellect perspective, building the right skills to deal with building deep learning and machine learning models is a different technical-cum-analytical skill set as compared to traditional developers who developed the functionality. So we also use this as a way to enhance the learning for our existing employees, and also for our existing customers to thinking about how they deal with data and deep learning models. Earlier I used to run most of the technology and operations for Citigroup's international businesses outside of North America. I was based out of London for many years and have dealt with Intellect for a long time when in its formative years, about 30 years ago.

What I have learnt to be crucial is the ability to continually evolve new capabilities in two spaces. One is intelligence and the second is architecture. So, most of the offering is architecturally fully cloud agnostic by way of MACH, which is microservices, APIs, cloud and headless. Headless gives you the ability to consume the services easily. On top of the MACH is the intelligence which makes that journey contextual and relevant for each customer rather than having one journey for all customers.

Please describe your insurance focus.

We have renamed Intellect SEEC to Intellect AI to showcase the impact and focus on AI.

Intellect AI is primarily focused on the end-to-end underwriting capability for insurance. We are not a core insurance policy administration platform provider. We are more in the commercial space as compared to the life insurance space.

Our platform helps in the end-to-end process flow of managing submissions, and the platform is called Magic Submissions. It takes commercial insurance requirements from brokers and clients of insurance carriers, STP to an underwriting workbench Xponent, which today runs on AWS Cloud. Our primary focus is end-to-end fulfilment of underwriting insurance along with our data platform in the US which has data



from thousands of data points to help the underwriter take their own data and external data that we have put together, and underwrite insurance more efficiently than they did before.

For example, if Marriott Hotels wants to do insurance for 100 properties, they will be providing a whole bunch of documents running into hundreds of pages, as email attachments comprising pdf files, Excel files, etc. This is a humongous process and extremely time-consuming to do manually. We help make the underwriting experience superior compared to other platforms.

Does your solution need to evolve with current changes in the ecosystem like floods, war, earthquakes, etc?

The solution is pretty much ready for any situation that the insurers decide to underwrite as a risk. So, our platforms are pretty rich in that sense. However, there is a lot of speciality type of insurance also, so we really need to implement the platform in the environment of each of the insurance companies to achieve its objective. So that's part of our implementation capability. As a product company, we continuously update our platforms and improve things like data capability to make it even more efficient for speed of implementation or accuracy perspective or from a contextuality perspective. Since we are born on the cloud, it is also about being able to implement very easily. It is actually our long terms strategy in terms of cloud-based composability where you can consume journeys very easily.

So, we actually put together a combination of longer-term directions for platforms versus products. Platforms have the capability to achieve all of that as they are MACH driven in architecture and AI-driven in intelligence.

Our AWS-based service in the US for underwriting and insurance is a common platform. However, that common platform is configured for each client in a way, in which in its interfaces with multiple systems and capabilities unique to that customer. It involves less code change and more configuration change in our interfacing. However, if there are changes in requirements because they want to run a business in a different way, or add business in a different way, we actually help and we build in such a way that it can be used by everybody in the future. The consumption implementation has to be done based on the architecture of the insurance company. We have a couple of tier-1 companies. We have about 15 companies right now in the US, who are using our platforms.

Each insurance company must be running multiple other systems and many of those systems would need to interact with Intellect's underwriting system. So is that straightforward through APIs or do you need to do some development?

There is pretty much no development – it is all configuration and consumption because you're born on the cloud and our architecture from the beginning has been microservices only. So, the ability for us through APIs to interface with the clients is very easy to implement and consume as a service.

You talked about AWS and the US market. Do you have a similar setup for other bigger markets such as Europe?

For insurance, we have based focused on the US market, because it's a very, very large market. Insurance as a business from a technology perspective has much larger opportunities than some of the other financial services areas because it is it needs

to further enhance its capabilities, both from an architecture perspective as well as an intelligent perspective, compared to where it is today. So, our insurance business is primarily for commercial lines and is focused on the US and we expect to scale it further a lot.

However, with our capital markets and wealth businesses, we have a presence in many parts of the world. We are the UK, in the Middle East. Now we are in India and going live with a couple of the largest banks in India. Also, some of the banks in South Asia.

Are the US insurers much larger than the European insurers?

US insurers are much larger than anywhere else when it comes to commercial insurance.

How is the business opportunity for claims?

In the longer term, we could consider claims for commercial insurance. However, we don't think claims volume is as large by way of processing as much as underwriting. The Magic Submission technology, which is an API-based enabling technology, is in a position to be able to be used for claims also.

Is insurance renewal an annual process – whether it is hotels or airlines or something else? Does the whole detailed process of submission have to be done annually?

Firstly, there is the part of the submission. Marriott, for example, would submit documents to a couple of carriers or to a broker. Those are considered submissions for each carrier. Then they would be the usual - either competition or some parts of that insurance will be rated underwritten by a different carrier. The flow starts with submissions and then gets enhanced with data platforms. We are one of the few who take the data along with the submission to enrich the submission. This helps take big decisions with all the data in one place. And then the undulating workbenches, actually help them through to fulfilment, meaning completing the decision, whether a yes or no and if yes, then actually feeding that information directly from underwriting is to the policy administration systems.

We estimate that across commercial

lines insurance, there are around 150-200 million submissions every year, and that's a market we want to tap.

There are many more carriers than brokers, so our clients are more of the carriers.

In India, cities are growing and many infrastructure projects coming up. Do you think you'll be targeting the Indian market?

Considering the stage I am in this business, our scalability in the US is at a very good pipeline level for us to fulfill. That is number one. Number two, if I would think of other markets, I would be focusing insurance mainly in the UK and Europe space next, rather than just into India. This is for commercial insurance. India is big for us in the wealth space.

What about compliance issues in underwriting?

Our workbench can help insurers to ensure they maintain limits to certain types of risks, to total underwriting, total underwriting premiums based on capital ratios, etc.

Lately, there has been interesting to ensure that ESG and sustainability are considered as part of underwriting based on ESG-focused activities. We are slowly evolving towards ensuring sustainability is important for everything, whether it's investing or lending or underwriting. We have Intellect ESG, which has been deployed for the world's largest wealth fund. For them, we have delivered capabilities in two dimensions. One is tracking companies tracking news and data feeds about various companies from authenticated sources, and based on that we provide a sentiment snapshot every day. This helps our wealth manager clients track the companies they are investing in to see if there is any positive or negative news. For the sovereign fund, we are putting data from various feeds in one place. Unlike Google search, we can ask questions about that data to help the analyst pick up information relating to environmental, social or governance standards.

We have a subproduct within ESG named iSherlock, which can pull in all the information regarding financials, directors, which other organizations those directors are involved with, etc, to help

from a governance standpoint. Sherlock is built upon AI to extract information from documents, balance sheets, news, etc. It can be used by investors, fund managers, regulators, lenders, etc.

Do you see a ChatGPT kind of solution from Intellect?

Not something similar to ChatGPT, but what we have done with iSherlock and iESG is targeted a ChatGPT-like capability for a specific purpose, whether that is governance or ESG or submissions or something else. Effectively the capability is similar, even better, because it is focused and reliable rather than being open-ended. This helps the user save a lot of time and effort. This also helps find more current information by tapping news feeds, which was earlier tougher. This helps decisions become more proactive rather than reactive.

Your solutions help underwriters, and that is understood. Do they also help CEOs and boards of directors in some ways?

While an underwriter will do each underwriting more effectively, the CEOs will see an improvement in overall underwriting efficiency. One client said that he had tripled his premium in one month thanks to underwriting faster. He would not have been able to process as many submissions. Depending on the product, we touch different personas in different organisations. iSherlock can touch a risk manager, a compliance manager, a relationship manager, it can touch someone in the branch sales, and even the CEO. iSherlock and iESG can be for multiple personas for multiple purposes. We will curate an ideal set of questions for each persona, and these will evolve over a period of time.

Is the re-insurance sector also a customer?

Yes, they have approached us and we have one client who uses only our data today. We have a lot of data that we have put together in our data platform. Some of the data is paid for and some does not need to be paid for. They use this data for ensuring that they have all the relevant information in one place before reinsuring. Reinsurance companies have also approached us for Magic Submission solutions. This is another area for potential growth for us. ■

Intellect Supply Chain Finance to help banks provide world-class finance prospects to Indian MSMEs

Ramanan S V avers that Intellect has extensive and solid experience in working with large banks and financial institutions.

Intellect Supply Chain Finance (SCF), an end-to-end, an AI-enabled product that offers a seamless technology solution for banks to help exporters, manufacturers, and traders to identify the best financing opportunities. This modern digital platform built on cutting edge technologies, will give a numerous medium-sized, and small clients of banks and their partners access to working capital opportunities, which is expected to boost the number of digital transactions. Intellect Supply Chain Finance eliminates the third party to onboard new customers and hence, helps the banks to become their 'own fintech'.

The benefits of modern banking technology mostly remain limited to bigger and cosmopolitan cities. Intellect Supply Chain Finance aims to remove this anomaly and to make sure that MSMEs in smaller cities have easy access to working capital at competitive rates. In the 75th year of Indian independence, Intellect Supply Chain intends to be an enabler in creating a robust MSMEs sector all over the country.

Its flexible deployment, real-time visibility, reduced processing time, and 'pay and you go' model immensely accelerate business efficiency for MSMEs. Every aspect of SCF is fully integrated and digitized, ensuring risk mitigation, cost reduction, and efficiency optimization while creating a smooth client experience on a single screen from any channel. The

solution provides a full range of:

- ◆ Digitized modules that span the supply chain platform and provide end-users with simple-to-use value-added services.
- ◆ The digital platform from front to back minimizes paperwork and streamlines transaction processing.
- ◆ Banks and corporations both benefit from easy workflow orchestrations for automatic tracking, communications, and onboarding.
- ◆ With real-time alerts and innovative context actions that reduce complex processing to a few clicks, users can make educated decisions.
- ◆ A simple yet powerful interface that provides quick summaries of invoice and purchases order financing, as well as reconciliations, and allows the user to submit new financing requests.

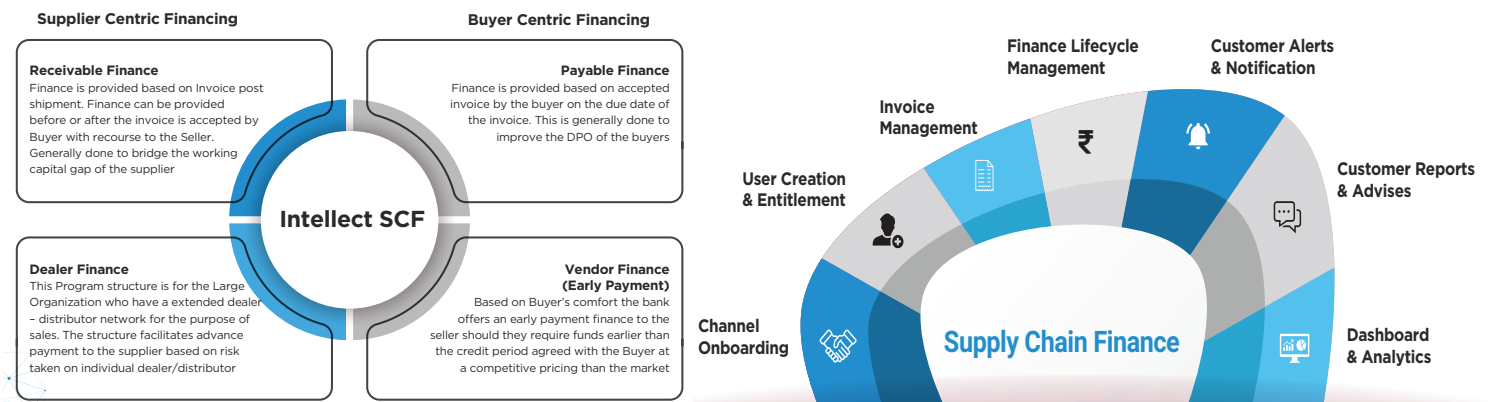
One of the leading Indian banks and a pioneer in technology adoption has integrated Intellect SCF solution to provide its clients a host of additional working capital choices. SCF has given the bank a competitive positioning in the market, and has helped them to push its transformation agenda which encompasses Digitization, Centralization, and seamless & faster Transaction Processing.

Commenting about the Intellect Supply Chain Finance (SCF), Ramanan S V, Chief Executive Officer for India & South Asia at Intellect Design Arena, said: "Large banks

and other financial institutions are the type of organizations in which we have extensive and solid experience. In order to create Supply Chain Finance, we drew on all of our experience. Regardless of their size, Intellect Supply Chain Finance gives banks a platform to become strong allies to their clients through the use of cutting-edge technology of the highest caliber. We have made an effort through SCF to ensure that banks may allow their clients to concentrate solely on their businesses without worrying about paperwork or other procedures to raise working capital."

A representative from the bank said: "We are really pleased to be associated with Intellect Design and its one-of-a-kind solution, which enables us to better serve our clients, SME & MSME, by opening up new financing prospects through a cutting edge digital product. Many clients have responded positively and enthusiastically and are pleased with this SCF product. This includes not just providing value in terms of transaction and information speed, but also digitization, centralization, and smooth and speedier transaction processing."

According to Allied Market Research, the global supply chain finance market was valued at \$6 billion in 2021, and is projected to reach \$13.4 billion by 2031, growing at a CAGR of 8.8% from 2022 to 2031. The global disruptions in supply chains due to covid, war, etc, is propelling the growth of supply chain financing. ■



Designing the Future of FinTech

By Dr. Anbu Rathinavel, Chief Design Officer, Intellect Design Arena.

Today, the world view of banking is dictated by ‘more Customers per product’, ‘more products per customer’ and ‘more transactions per product’. While this is absolutely true from banks’ point of view, what’s in it for the customer? Banking is realized when it is truly contextual and composable to a very fine degree – rather like ‘Lifestyle’ Banking. However, to achieve this, two things are vital.

The first is to understand and connect with the user’s persona and the second is to reach out, truly and deeply, to the user through technology that easy to use, intuitive and not complicated. Giving capability to banks to ‘compose’ such products ‘on the fly’ for their customers is the emancipation banks need.

Such deep contextual and user-specific connection is possible only through Design Thinking – and that is what Intellect does. While many focus on the ‘Design’ process, Intellect goes a step deeper. It spends significant effort in ‘Design the Thinking®’ of all key stakeholders and not just its product designers. This helps with the focus on the ‘Mental Model’ before applying Systems Thinking of Peter Senge.

An encouraging outcome of this approach is evident in the Courageous Innovation Culture that Intellect represents today and is reflected in our attitude towards deeply understanding the end user



Anbu Rathinavel believes in working with established industry players and game changers to achieve a confluence of purpose and capabilities that questions the status quo and delivers exponential results, which is fundamental to Design Thinking

(empathy), walking their walk, understanding the unstated needs of customers, unearthing blindspots, scripting a phenomenal cartographic view of the ecosystem and in pushing technology far and beyond keeping in line with the trends in the industry.

This helped in approaching our design around ‘what’ should be in the future while confronting ‘whose’ future is served and in moving from deep vision to impeccable execution. Thus, at Intellect, Design Thinking has enabled engineering of agile solutions combined with performance assurance.

The Power of Intellect’s Products: Design Thinking

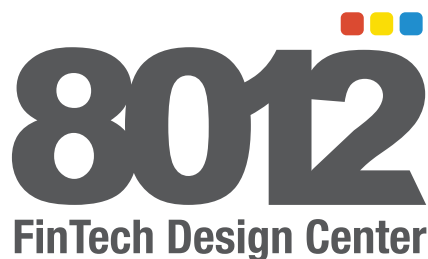
Design Thinking is in the DNA

of not only Intellect, but in every product in its stable. This is reflected by the fact that many global financial organizations leverage Intellect’s hyper scale FinTech products. During the past year alone, Intellect had been awarded 35 digital deal wins and 13 platform deal wins. For example, the Reserve Bank of India, the financial backbone of the world’s fifth largest economy, decided to upgrade Intellect’s Quantum Central Banking Solution for powering the next stage of their digital transformation journey. Intellect works with established industry players and game changers across the world to achieve a confluence of purpose and capabilities that questions the status quo to deliver exponential results which is fundamental to Design Thinking.

HERE IS AN EXAMPLE OF AN INTELLECT PRODUCT.

Doc2API, Intellect’s ‘AI-powered’ cognitive information extraction platform that extracts contextual information from unstructured sources, is a technology platform that has Design at the core. The value of this platform can be well appreciated if one is cognizant of a critical problem that the Insurance industry faces today – information intake inefficiency. Intellect’s approach to designing the platform stems from the essential Design Thinking process of getting into the root cause of the problem than merely looking at the symptoms – designing from first principles.

The Insurance industry is inundated by a plethora of data sources that are inaccurate, high cost and not designed for real-time scale. In addition to the famously quoted 4Vs - volume, variety, velocity, and veracity – which forms the



cornerstones of Big Data, the fifth 'V' that is critical is value, which has to be generated from data. This is humanly impossible to manually make sense of the large amount of data and to generate value.

The team that developed Doc2API leveraged the core tenets of Design Thinking. One such tenet is prioritizing the problems to be solved. The team identified the 1000gm problems and understood them to offer a solution that remains notches ahead of competitors by focusing on specific needs of the customer many of which are unstated.

Financial institutions need to differentiate in today's chaotic marketplace by designing systems and technologies that give unified superlative experience to the external and internal customer. When the need is literally 'now', the capability to create 'on the fly' goes beyond mere empowerment. Open source, thus becomes a boon. Our approach on enabling customers' asks, here and now, is inspired by customer-centric designs from across industries.

8012 FinTech Design Center



8012 FinTech Design Center

WINNING HEARTS. WINNING TRUST.

With a mission to provide large enterprise-grade composable and contextual solutions driving higher business growth, reducing cost and

risk on a sustainable basis, the vision-to-execution commitment that we promote within the organization is complemented by the copyrighted 'Design the Thinking®' work principle to drive unique results. This uniqueness combined with the culture of 'Curiosity' and 'Asking the Right Question' is continuing to attract world-class leadership teams from different industry apart from our competition.

The mindset approach to Design Thinking connects very deeply with the passion that drives a leader to innovate and impact the future of the FinTech Industry. Intellect's innovation-led approach to problem solving provides the space for leaders to innovate and grow, a place to create their footprint and leave a legacy.

The journey of Intellect's Design Thinking transformation has been steep, but impactful. Today, it has transformed the mindset of every employee from mere execution to 10X performance, from being a product designer to a Designer Thinker. Being human-centric and future-focused is the core of Intellect's Design philosophy. ■



BNPL: What it Takes to Balance Value Addition with Monetization

Authors: Harpreet Singh, Business Head - Lending, Cards and Retail Asset Products, Intellect Design Arena Ltd. and Rajesh Saxena Chief Executive Officer, Intellect Global Consumer Banking (iGCB).

According to the Global Payments Report by Worldpay from FIS, BNPL is emerging as the fastest-growing ecommerce online payment method in India, estimated to capture 9% of the total ecommerce market share by 2024. BNPL can also be described as a Point-of-Sale Micro loan that can be paid later in interest-free instalments. Over the last couple of years, BNPL proposition captured a lot of customer attention especially that of millennials', customers who are credit-averse and those with minimal credit history.

The combination of interest-free credit, zero-documentation and a seamless integration with a straightforward check-out process provides a superlative and user-friendly consumer experience, wherein lies the appeal and attraction of this product.

The retail payment industry has gone through massive changes in the last two years with Bank/ ecommerce players abandoning the transactional nature of approaches while consciously migrating to a "stickier" approach. There is a seismic shift happening as financial institutions are moving towards an ecosystem-based thinking as opposed to a product driven thinking which has resulted in them aspiring to play the role of being the primary engagement point for the end customer.

The system is unforgiving if businesses do not adapt. Just take a look at the statistics: 55% of shoppers will abandon it if they have to re-enter their credit card or shipping information. 46% of shoppers abandon because the discount code does not work. These patterns of consumer behaviour have ensured that the relevant eco-system players focus on the entire customer experience- from customer onboarding and purchase to the credit approval process, therefore ensuring that the overall consumer journey becomes seamless and interwoven.



Harpreet Singh

This would not have been possible without the technological advancements that have shaped, and continually shaping, the Financial Services Sector. With the above being the context, it is relevant to also consider that this reinvention of the customer experience can only become affordable if there are opportunities to monetise these services across the value chain. And if Banks/FIs want to play a central role in this entire consumer/retail led credit experience, they have to pay specific attention to these opportunities.

EXTENDING BNPL TO THE LENS OF AN ECOSYSTEM

In the current market, BNPL is viewed just as another customer-friendly payment mechanism whereas a comprehensive BNPL process should consider multiple user journeys, striding across varied system modules spanning across multiple stakeholders. The balancing act between the experience paradigm and the monetization opportunity can harness the full might of BNPL to its maximum. Market trends across geographies suggest that one of the main

ways this could get done is by integrating the three core elements of the eco-system - Consumer financing, Merchant financing and Merchant servicing.

CONSUMER FINANCING

As far as consumer financing is concerned, organizations can focus on elevating the experience by offering multiple payment options in real-time while extending self-help options for changing repayment plan, mode or tenure during the loan life-cycle. Ensuring transparency of information of return / sale cancellation / reversal transactions while facilitating interest rate checks and online simulation of repayment plans is a great way to add value.

For opportunities to further monetize, organizations can understand a customer's (loan) performance and gain access to the corresponding data, thus enabling timely intervention for cross-selling opportunities while also focusing on customer retention, thus increasing the wallet share of the customer. They can also seek better information access-points during the credit decisioning process to ensure higher quality of Credit portfolio- one of the trends that we foresee in some countries in Europe and Americas is to seek out more information of customer income for some specific segments like those with low credit scores, and do a semi-lien-marking in case of default.

MERCHANT SERVICING

Organizations can focus on integrating a great level of ease in the processes in order to add value to the merchants - be it computing and consolidating single view of merchant obligations, providing automated payments periodically or providing self-help options for real time enquiries and updates. By cross selling banking services such as transaction accounts, cash management, payment services etc. and charging the

e-commerce platform a fee for offering merchant services, organizations can add to the monetization element of the equation.

MERCHANT FINANCING

Enabling seamless conversion of outstanding invoices into merchant credit for better working capital management can prove to be instrumental in elevating the experience, along with eliminating procedural delays in availing credit by avoiding repeated credit evaluation. Additionally, shifting the risk of collections and payment delays away from the merchant by automating merchant credit will help in being able to project cash flow timelines for liquidity planning. As for monetizing - credit optimization should enable a consolidated view of merchant exposures along with better margin realization through synergies from financing the entire supply chain.



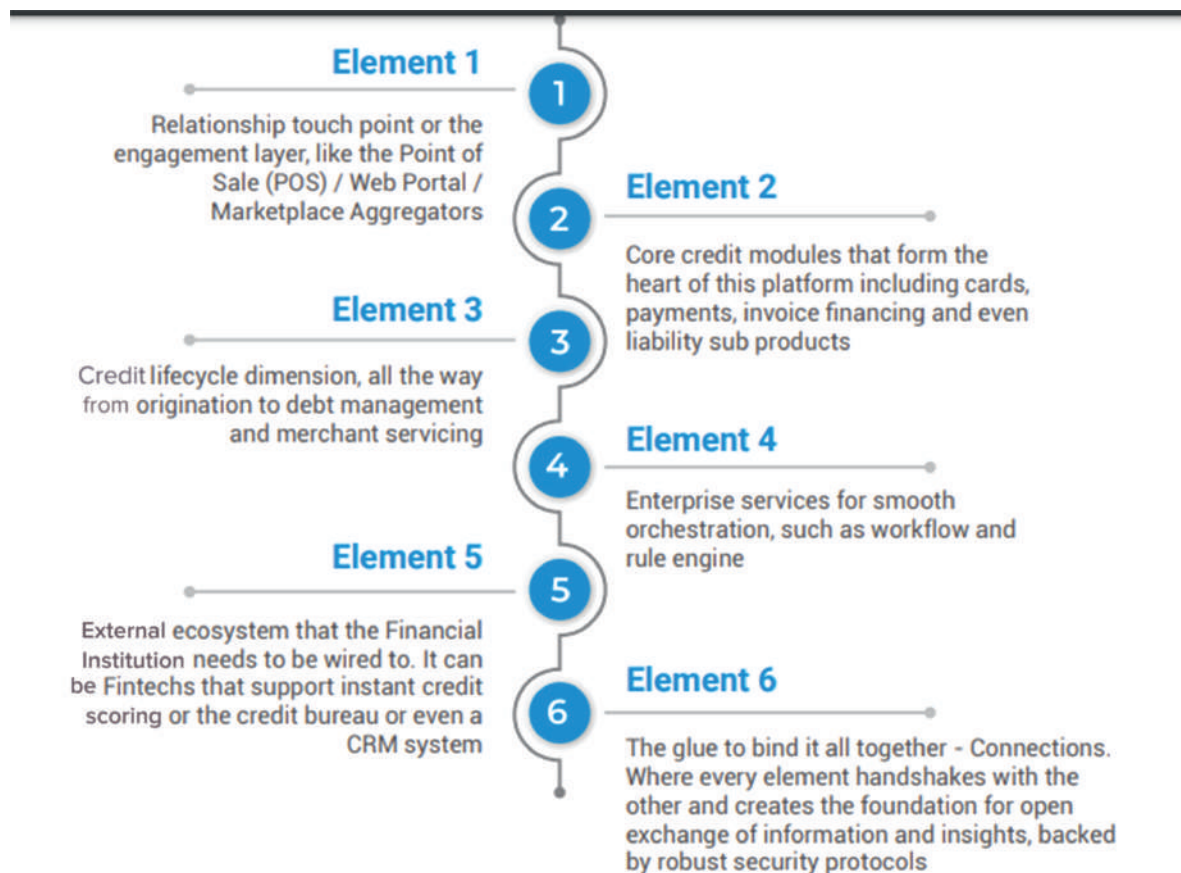
Rajesh Saxena

By virtue of their ability to have an oversight (and be a partner) on the entire transaction lifecycle, banks/FIs are best

suited to integrate the user journeys and deliver a seamless experience across the BNPL ecosystem. As with any upcoming trend, the BNPL ecosystem too has its own set of challenges - business margins, asset quality and rate of abandonment to name the most prominent ones. The margins are wafer thin with bankers/lenders reporting that BNPL contributes to as much as 5%-10% of NPAs, and these trends are now becoming more and more visible with almost every other BNPL service provider staring at an increasing, and worrying, trend of losses on their portfolios.

By ensuring that there is a good value addition to both the customers and the merchants, financial institutions can holistically cater to creating transformational experiences that deliver ease and transparency to the stakeholders involved. ■

The Six Elements that need to be Connected in the Credit Ecosystem to offer an enhanced BNPL Experience



Reimagining Wealth Management: Future-Proofing Strategies for India's Growing Market

By Sudhir Marwa, Business Head, Intellect Wealth and Capital Markets

Wealth management has undergone a significant transformation over the past few years. The rise of digital technology, coupled with the pandemic, has brought forth new challenges and opportunities that wealth management firms need to address to future-proof their models.

INDIA – SIZE & SCALE

India is a promising market for wealth management, with increasing wealth across all segments. However, to stay competitive, wealth management firms need to focus on boosting revenues, market share, and competitiveness. Three critical elements that firms need to address to achieve these goals - modernizing themselves, using data effectively, and providing better advice to clients.

MODERNISING & FUTURE PROOFING

To modernize themselves, wealth management firms need to transform digitally, which means leveraging the power of data to provide personalized and contextual advice to clients.

The first involves transforming data and information into personalized and contextual knowledge that can be useful



Sudhir Marwa

to the customer. The second component pertains to the ever-evolving customer experience, which has been accelerated by the pandemic, and requires businesses to stay current with the latest tools and capabilities to provide top-notch service. The third component is the necessity for improved advice, which should not only be limited to wealthy individuals but also made available to the mass affluent through a low-touch or almost no-touch operational model.

THE ART AND SCIENCE OF DIGITAL TRANSFORMATION

Wealth management firms need to focus on the art and science of digital transformation to achieve the goals. This includes developing a robust data strategy to use information more efficiently and leveraging artificial intelligence to enhance data analysis.

First is hyper-automation, an area that wealth management firms need to focus on to automate processes and reduce human friction in critical areas such as onboarding, payments, and reporting. Scalability is an essential factor to consider, and wealth management firms need to ensure that their platforms can handle the developments and changes ahead. This means leveraging the power of the cloud and open architecture, which enables businesses to connect

anywhere in the marketplace through APIs.

It is also necessary to provide clients with a hyper personalized service. Relationship managers (RMs) are central to wealth management, and technology should aid and enable them to drive a sustainable business, especially since the cost of RMs is increasing. Human advisory is crucial and that robo-advisory has not been very successful. Instead, the focus should be on providing personal advice while using technology to support client-facing bankers in key areas such as reducing repetitive tasks, generating new business, and monitoring progress. Engaging with clients and keeping them happy is also vital to help them meet their personal goals and ensure seamless execution.

Secondly, a gradual approach is more effective and recommended against pursuing a sudden, dramatic transformation. He advised adopting a strategy of incremental modernization, which involves gaining a clear understanding of the objectives and taking small steps towards achieving them.

Thirdly, financial advisors and relationship managers (RMs) require insightful information and human interaction to be successful in the future. Sudhir mentions that they should aim to have a comprehensive understanding of the customer and be able to provide suitable product recommendations through the use of nudges and intelligent prompts. This approach would enhance productivity and customer satisfaction. Furthermore, a complete and comprehensive 360-degree perspective of the customer is necessary, taking into account all aspects and viewpoints.

In conclusion, wealth management firms must adapt to the changing landscape to future-proof their models. Digital transformation, leveraging data effectively, and providing better advice to clients are critical elements that wealth management firms need to address. By embracing new technologies and adopting a step-by-step approach, wealth management firms can modernize themselves and stay competitive in an ever-changing market. ■

Know your Intellect

The Intellect Wealth Suite is a comprehensive solution for wealth management, covering a wide range of client segments, from retail customers to UHNWIs. Its proprietary Wealth Qube solution is at the heart of the suite, providing a complete range of modules, including the Relationship Manager Office, Customer Personal Office, Operations Office, Risk and Compliance Office, Fund Manager Office, and Trust Office. With this suite, Intellect Design is at the forefront of technology and digital solutions, empowering private banks, wealth firms, and other businesses across the globe.

iGTB identified as a leader & ‘Best in Class’ Payment Platform provider in Aite Payments Hub Matrix

Amongst 15 global vendors, Intellect is rated as ‘Best-in-Class’ and has been noted for its global scalability, contextual experience and unique headless architecture:

Intellect Global Transaction Banking (iGTB), the transaction banking arm of Intellect Design Arena, a cloud-native, future-ready, new-gen multi-product FinTech company for the world’s leading financial and insurance institutions, has been named as a leader and ‘Best in Class’ Payments platform by Aite-Novarica Group in a report that evaluates the overall competitive position of payments technology providers, focusing on stability, client strength, product features, and client services.

This Aite Impact report investigates the market for payment hubs and infrastructure, discusses how technology has evolved with new market challenges, compares and analyses the tactics and products of the top technology providers, and their accomplishments in key areas so that financial institutions can choose new technology partners with greater knowledge.

The report notes iGTB Payments platform for its scalability, contextual and intuitive navigation and headless architecture that allow banks to use the solution payments in an existing platform, and the option to select from two modes: expert mode for banks that don’t need much assistance, and a more simplified mode for small and midsize banks that desire more partnership and guidance with a less complex setup.

Commenting about iGTB Payments Platform, **Erika Baumann, Director, Commercial Banking & Payments Practice, Aite-Novarica Group and the author of the report** said “The Intellect platform is perceived as among the most advanced in the industry, with several clients citing going through their RFP process and technical due diligence exercises before selecting the company. Several clients also cited the resilience demonstrated by Intellect during the pandemic when resources were increased and there were no slips in service levels and highlighted the firm’s high calibre of management and adherence to SLAs and key performance indicators. As such, and based on our in-depth evaluation across numerous factors, we’ve recognized Intellect as a leader in the market.”

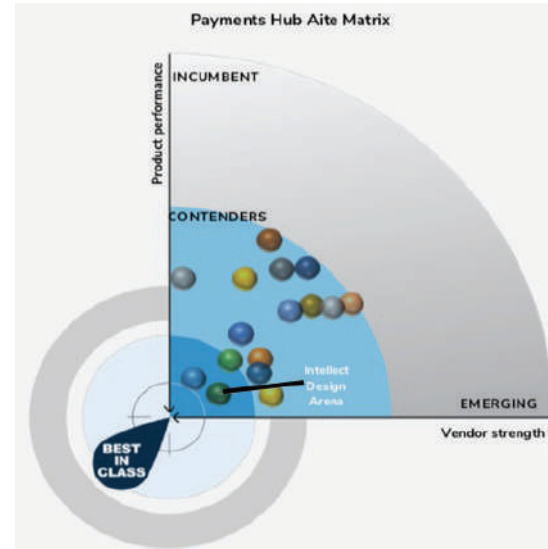
Manish Maakan, CEO, iGTB commented,

“To be acknowledged as a ‘Best-in-class’ Payment Platform in the Aite-Novarica group evaluation is a proud achievement for Intellect and our associates. This is our 2nd platform - the first being our world-leading Liquidity Management Solution - that has been rated as ‘Best-in-Class’. Our continuous investment in R&D and payments modernization is why leading banks across the Americas, Europe, the Middle East, India and APAC trust Intellect iGTB with their Payments transformation. It is heartening to see our customers resoundingly endorse our understanding of client needs and market nuances, our focus and attention to customer service and our overall payments strategy.”

He added, “There are very few true payments platforms in the market that have been re-architected to be Cloud-Native, API first and Micro-Services based. iGTB Payments is one such platform. Commercial Banking and payments are on the cusp of fundamental shifts in consumerisation that will dramatically reorder the industry in the coming decade. Our Real-Time payments architecture helps banks embrace this trend and provide resilient and risk-free operations - which is extremely critical for the world we live in today.”

Intellect’s Payments highly scalable technology platform processes

- ◆ Global payments across 40+ countries, 70+ Rails in 105 clients across Canada, USA, Latin America, Europe, UK, Middle East and APAC.
- ◆ The platform processed US\$500Bn of payments per day for one of the largest banks in UK.
- ◆ The payments stack deployed at the Reserve Bank of India, the central bank of one of the world’s largest economies, is benchmarked to support 30Mn ISO20022 payment messages on a peak day.
- ◆ Intellect Payments is at the centre of India’s Digital mission - where payments tech is being deployed at one of India’s largest private banks - with a cross-country corporate payment coverage of 60% and expected



to scale 100% in transactions volume every year, for the next three years.

Intellect’s payment superior technology is backed by sophisticated in-memory cache and distributed database technology to ensure milli-second response times needed for payments. It supports very high-volume corporate payment files containing over 300,000 payments at 1000 TPS. Our next-gen payments now come with Machine Learning and AI based recommendations for Optimum Payment Routing and is ready for the future with adaptors for DLT based payment routing.

Intellect Payments is designed to handle the complete lifecycle of payments - from initiation to pre-processing, execution and settlement - in real-time, and takes a unique contextual approach to payments. The entire iGTB Payments Suite comprising the Payments Services Hub, the highly intuitive Contextual Banking Experience for end client access, Transaction Limit Management for real-time payments decisioning and products for Partner Banking, ISO data management and Virtual Accounts based Payments and Receivables provide unparalleled value for the banks’ customers worldwide.

To read the report, visit: <https://www.igtb.com/aite-payments-matrix-report> ■

Launching Credit Card Business for One of the Largest Banks in South East Asia

A Case Study

About the bank

The Bank is one of the largest financial institutions in Southeast Asia with a presence in 18 markets. Their Indian subsidiary was the first among large foreign banks in India to start operating as a wholly-owned, locally incorporated subsidiary of a leading global bank. Today, the bank has a network of nearly 600 branches across 19 states in India, providing an entire range of banking services for large, medium and small enterprises and individual consumers.

India's Credit Card Market

The credit card industry in India has witnessed a compound annual growth rate (CAGR) of 20% in the last five years. The number of credit cards crossed 78 million in July 2022. Moreover, in May 2022, the overall credit card spends reached its highest-ever number of INR 1.13 lakh crore. (Source PwC).

Launching its first ever Credit Card in India with a Partner-led Acquisition Strategy

With consumers in India turning to Credit cards for their daily and discretionary needs, the bank wanted to tap into this largely underpenetrated market by launching its first ever co-branded credit card in India in partnership with an NBFC - a well-established player in the Credit business, with a large geographic distribution network across India.

The demographic and financial information of the NBFC's customers helped the bank target the right customers for their credit card offering and pre-approve the customer



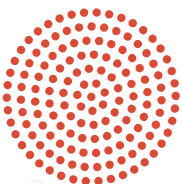
The Bank is one of the largest financial institutions in Southeast Asia with a presence in 18 markets.



The supercard has been designed to de-clutter customers' wallets, eliminating the need to have multiple credit cards



Supercard is the first ever credit card launched in India by the bank



base. The availability of behavioural information- leveraging past credit and payment history - also enabled the bank to create customized offers for their customers. This resulted in increased lead conversion ratio, higher spends on the cards and higher customer engagement.



Leveraging technology to drive growth in credit cards business

The bank was looking for a transformational card solution with a custom-built integrated Origination system, Fraud, Loyalty, Mobile App and Portal- all of which needed to be integrated with Whatsapp, IVR, Loyalty and 3DS channel partners along with the Credit Bureau and several other real-time interfaces.

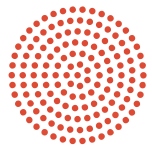
Recognizing that modern technology and API driven architecture would be a key enabler for the success of their Partner led acquisition strategy, the bank decided to implement a specialized credit cards origination and management platform for their cards business. It chose Intellect's comprehensive card origination and management solution.

Intellect's Microservices based, API driven, cloud native, Headless (MACH) architecture enabled the bank to launch credit cards quickly in the market and helped them scale rapidly.

This can be established from the fact that the the bank reached an incredible milestone of issuing 100K cardson the platform within a short span of less than a year since the launch of their Cards business.

This unique partnership further helped the NBFC partner in expanding their customer base and offerings to the customer thus resulting in increased brand visibility and customer stickiness.

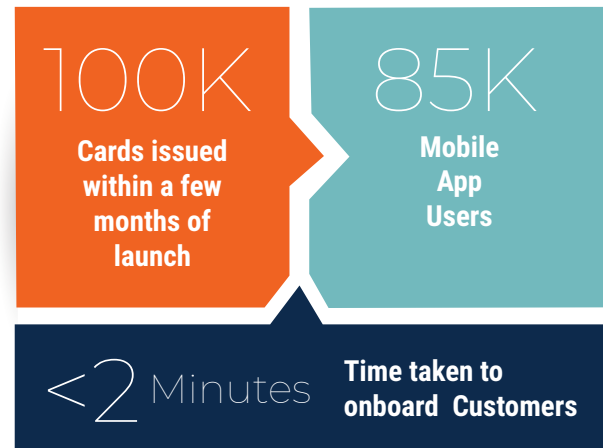
- Customers can apply for the card from the comfort of their homes through all the digital channels of the NBFC partner followed by instant credit decisioning by DBS which is powered by Intellect's APIs (private, public and partner) and robust, easily configurable Business Rule Engine.
- Instant and paperless KYC completion through Video and Biometric modes facilitated by real time



The Supercard will help in eliminating the need for multiple cards, **widening the access to credit and offering compelling rewards and benefits to the bank's customers**

integration with UIDAI allowing the bank to onboard customers under 2 minutes.

- Ability to estimate customer's income using the Income estimation model, a sophisticated model built on AI/ ML hence enabling the bank to pre-approve the right customer base and thereby reducing the NPA risk.
- The bank's customers will not only be able to control their card, check spends, use Cash Points, and pay their bills but also access a personalized lifestyle feed that includes curated offers and lifestyle content.



Bank of the future

With the credit card space in the country seeing robust growth, the comprehensive Intellect cards solution has enabled the bank to launch an exclusive co-branded Super-Card, along with adding new customer services channels and improving customer engagement through App and Web. The Supercard will help in eliminating the need for multiple cards, widening the access to credit and offering compelling rewards and benefits to the the bank customers, by leveraging their BFL's franchise network. The bank can thus, reinforce their commitment to building lasting relationships with customers and positively impacting communities through supporting enterprises and individuals.



Driving a Superlative Credit Experience for a Leading Indian Bank's MSME Customers

A Case Study

About the bank

The leading Indian bank is operating as a full service universal bank that serves the customers from all segments. As a universal bank, it touches the lives of millions of Indians through a wide array of banking products and services. Besides, the Bank has an established presence in associated financial sector businesses including capital market, investment banking and mutual fund business. The Bank's business philosophy is characterised by the commitment to provide relevant financial solutions, ensure maximum customer convenience through easy access to branches and ATMs as well as digital offerings and excellence in customer service.

Strategic vision

The Agriculture and Micro, Small and Medium Enterprises (MSMEs) sectors play a major role in the Indian economy and contribute significantly to the nation's exports and employment generation. Together they contribute nearly 50% of India's Gross Domestic Product (GDP).

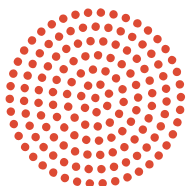
In 2020, it embarked on a strategic journey to launch a fully digitised, end-to-end Loan Processing System (LPS) with 50+ products for its MSME and Agriculture customers. The bank was looking to combine their innovative business models with new-age technologies to operate at high speeds, ensure an excellent experience is delivered to its customers – who wanted more products and services, tailored to meet specific needs – and at the same time, not compromise on the quality of their credit decisions.

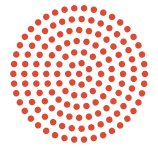


New products launched for the bank's MSME and Agriculture customers

Single 360-degree view of customer exposure ensured improved credit portfolio

Single origination platform for Agri and SME loans





Leveraging technology to drive growth in MSME lending

The Bank chose iKredit360 Loan Origination System over other vendors because of the solution's depth of functionalities, best-in-class user interface along with state-of-the-art cloud-native API-first architecture which supports seamless integration with various third-party systems.

The iKredit360 Loan Origination System is a highly evolved sourcing and credit evaluation solution supporting the origination process through the entire cycle including application processing, verification, risk assessment, credit scoring, automated credit decision and underwriting. The fully automated, integrated, parameterised and rule based solution is capable of meeting straight through processing requirements with exception based manual intervention.

The system, which is powered by an industry-recognised Business Rule Engine, will facilitate the bank to manage facility approval as well as drawdown approval through a sanction workflow, pre-defined for each kind of loan product, giving a single system experience for end-to-end credit origination.

Key benefits of the digital transformation initiative

iKredit360's combination of innovation, transformational customer experience and technology optimization enabled the bank to create fully customized products and services over multiple channels and ensure customer delight

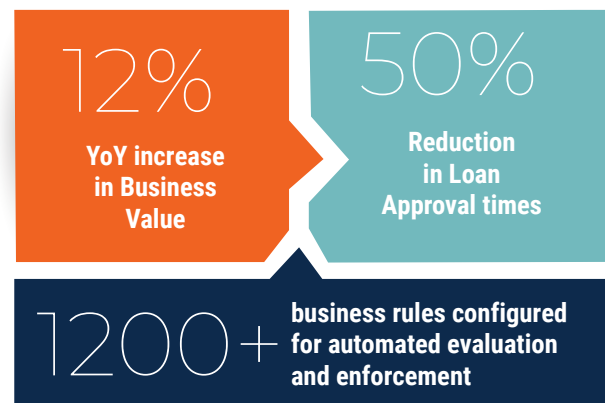


- The bank leveraged iKredit360's composable platform to launch more than 50 new products for their MSME and Agriculture customers
- The Bank was able to improve their credit portfolio through a single 360-degree view of customer exposure which would allow the customer to maximize their drawing capability while minimizing the risk to the bank.
- The single origination platform for Agri and SME loans could facilitate end to end processing of loans spanning from Credit Proposal initiation to disbursement approval.



iKredit360 Loan Origination System will allow the bank to build the right credit portfolio and at the same time increase customer satisfaction through faster loan approvals and reduced on-boarding times

- The MACH –enabled architecture of iKredit360 allowed the bank to rapidly launch business functions and services, and also ensure ease of integration & support for devops.
- The bank was able to reduce their loan approval times by more than 50% to less than two days by leveraging the solution's configurable rule engine, parallel processing, and on-the-fly workflows capabilities.
- The world-class UX helped the bank drive customer delight with high self-service adoption and on-the-go banking .
- With iKredit360, the bank could use a single onboarding boarding application for multiple business segments such as the SME and Agri Sectors and also reduce the on boarding time through intuitive data fetch from various data sources.



Bank of the future

The future of lending is digital, and MSME and Agri lending will play an increasingly important role in its revenue growth going forward. iKredit360 Loan Origination System will allow the bank to build the right credit portfolio and at the same time increase customer satisfaction through faster loan approvals and reduced on boarding times. This implementation is part of the Bank's larger vision of enhancing our value proposition to their MSME and Agri customers by digitising the entire customer journey and ensuring easy access to finance.

Racing with Technology, Steering with Empathy

Prabhat Chaturvedi, CEO, Netafim Agricultural Financing Agency reveals his perspectives about the leadership qualities for today and tomorrow:

There is a deluge of information in today's times. Is information absorption and analysis taking up more/less/same time as earlier for you? And why?

The development of global networks, the internet of things, digital cultures, and technologies have opened numerous ways to establish information flows. It has made the transmission and storage of information efficient and flexible. Collecting huge amounts of data and their analysis with artificial intelligence techniques is becoming the trend. We are seeing that more time, effort, and resources are invested in capturing, storing, and organizing data at a humongous scale in the context of prescriptive analysis.

While it is helping large organizations, mid and small-size organizations are struggling to invest heavily in AI/ML projects due to costs being immediate and recurring with no certainty on returns or may take longer time than expected. If only very large organizations can benefit from the evolution of technology, it'll create an elite layer of almost unbeatable organizations and not help the development of everyone. Understanding what to look for, where, and why makes the difference between a good and a bad audit. However, due to the abundance of information available today on the Internet, it's necessary to narrow down the information to be obtained and to measure the time required.

What areas are you exploring to help you become a better leader?

Mainly two areas - empathy & evolving technology. Leaders need to be



Prabhat Chaturvedi believes empathy & evolving technology are required to become a better leader

increasingly empathetic towards their teams, and colleagues as sometimes they struggle to keep pace with the changes in today's increasingly uncertain, volatile and unforgiving world. Despite doing one's best, some colleagues or team members may not succeed at times. They should be given considerable coaching and a long rope. Employees are increasingly flocking to and will continue to be attracted to, great organizations with empathetic leadership. Second, leaders need to evolve with the ever-increasing digital transformation. Leaders of tomorrow need to be front-runners in this frantically transforming technological development. I have just

completed a 11-month Executive Program on Digital Transformation from an IIM. To summarize, being empathetic and being on top of your game will help you become a better leader.

What do you think differentiates unconventional leaders from conventional leaders?

I don't subscribe to the 'conventional' or 'unconventional' bifurcation of the leaders. In my opinion, some leaders are dogmatic, and they stick to the 'known knows'. They refrain from experimenting with unknowns. Some leaders are more adventurous and experimental. It also depends on the prevailing circumstances whether the leader has the luxury of making unconventional choices.

What kind of leaders does the world need more of in the days to come? What is your favorite technique to be a fast learner?

As I said earlier, the world needs more empathetic leaders. We all in general, are grappling with so many life-altering experiences like climate change, digital transformation, inflationary pressure, and geopolitical tensions between borders. People need leaders who understand their challenges, show them a path, and calm their frayed nerves. To be a fast learner, one must be perennially curious to learn more. True knowledge is in knowing that we know almost nothing. The best technique to be a fast learner is to have that mindset & be always ready to absorb more knowledge like a dry sponge.

Burnout hitting younger Americans amid demand for digital products, guidance

The KeyBank 2023 Financial Mobility Survey finds that Americans are in a difficult financial situation, with 55% facing financial challenges in the last year, a significant increase from the previous year (37%), and more than double the

number of respondents citing budgeting issues as their biggest financial faux pas (89% vs. 35%, respectively). The survey polled more than 1,000 Americans. 42% reported feeling overwhelmed or burned out regularly, with Millennials or younger (52%) and those under 35 (54%)

experiencing burnout more acutely. The top 3 things that will make consumers feel more financially resilient in 2023 are financial information (55%, up from 48%), digital banking tools (47%, up from 39%), and advice from a financial advisor (36%, up from 29%).

Leader, forever a learner

Knowledge is critical in climbing the ladder of success. But beyond a point, it is about a certain set of skills:

A leader, they say can be one with natural leadership qualities or those with acquired leadership qualities. In the fast-paced digital era, it is important for people in the leading position to upskill themselves regularly.

Leadership skills vary from people to people. Every leader has a unique character. Some people might be successful in business but not in other spheres. What sets them apart is usually their openness to acquire new skills at every stage of their career.

New learnings and skillsets enable leaders to perform their duties more successfully, driving the new generation workforce and for Dr. Rajendran N, Chief Digital Officer (CDO) at Multi Commodity Exchange of India (MCX), professional trainings, courses from different global universities and being part of various forums have played a key role to hone his skills as he prepared himself for more complex and more demanding roles.

Dr Rajendran's love for taking professional courses and training started in the initial stages of his career. Having obtained his doctorate in the Computer Science, he applied the mechanics across his job functions. The hunger to deep dive, self-analysis and self-evaluation propelled him to enroll for various educational programs in various spheres.

Dr. Rajendran has been one of the pioneers and has played a key or leading role in payments projects such as INFINET, CTS, NACH, Rupay Platform, UPI, etc. He says, "Migrating on new platforms is always a challenge. The process requires tough decisions. Migration come with challenges and tech glitches. Reading the team gearing up to handle it was both exciting and challenging."

His roles as a Board Member and a CXO gave him a bird's eye view of challenges which inculcated the desire to update his leadership capabilities.

He also finds seminars and conferences as valuable in giving new ideas and perspectives,



Dr Rajendran N feels that developing diplomacy skills is an important part of leadership in the complex and diverse ecosystem

and of course to meet new people.

One of the things that he realized in various interactions is the importance of diplomacy, it not telling things just as they are, but in a manner that takes into account who the decision is impacting and how does it affect that person's feelings. Many western countries follows straight forward approach for feedbacks but In India it is different culture and most of the organization follows sandwich approach. Another thing he has learnt that even in technology, things not black and white, but various shades of grey.

He explains further: "As a technocrat, decisions are short, and finish with a Yes or No. It may not gel well with stakeholders. But the attitude may not go down well with all the stakeholders. As a person climbs up the corporate ladder, it is important to learn soft skills such as diplomacy and conflict management."

Accordingly, Dr Rajendran set out in search of a suitable leadership program and

finally chose an online 3-month program offered by National University of Singapore (NUS). This 'Future Leaders Program' is organized in collaboration with Great Learning. This program will have students from across the world, and that multi-cultural explore is another positive feature that Rajendran liked compared to several other courses.

He adds: "You meet many people from diverse backgrounds and geographies. The learning modules are interesting and aimed at integrating people of different nationalities into diverse groups, assigning tasks, encouraging group discussions and evaluating the process. The entire learning process is interactive and interesting."

Highlighting the importance of organizational support in obtaining new trainings and certifications, Rajendran shares: "These trainings and courses cost money. Many organizations do invest on people training, and even nominate senior leaders for executive trainings. It is also important to self-search for relevant skills and domain knowledge upgrades. Such investments go a long way."

He had the choice of both physical and online courses. He evaluated the pros and cons of both formats. "Physical programs create a larger impact. For example, if I am learning 5 hours online vs 30 mins physical, the latter will have a larger impact because it is completely focused. Online activities can be marred due to technical glitches, background disturbances, etc. However, online provides the flexibility of learning from remote environments."

Be it online or the physical format, Rajendran warns that getting admission into prestigious universities is an arduous task. "Universities have admission criteria and filter candidates before enrolling them for the course."

Rajendran summarizes how his skills evolution: "I can identify good leaders and good managers. Overall, it gives a lot of confidence."

Influencers drive brand building

Kiran James, Head - Marketing & Products, explains how Muthoottu Mini Financiers is strategizing and gaining from influencer marketing.

Easy access to gold loans forms the core business of Muthoottu Mini Financiers, an NBFC founded by the visionary M. Mathew Muthoottu in 1921. Muthoottu Mini has stayed true to its vision to fuel a common man's dream and has grown as a larger financing enterprise with an impeccable loan portfolio spread across several states.

Mathew Muthoottu, who took over from his father Roy M. Mathew in 2016, is the 4th generation front runner of the Muthoottu family and is an enthusiastic leader carrying the legacy above and beyond to create a brand identity as Yellow Muthoottu. The company has a network of 840+ branches spread across the nation.

Mehul Dani: Is the company using influencer marketing? For how long?

Kiran James: Muthoottu Mini has been leveraging the power of nano and micro influencers from time to time, basis campaign objective and media mix. We engage the influencer community mostly for the branding initiatives as it suits the objective well and builds on the brand story through personal experience, journey and broad thoughts of the campaign.

Which customer segments are you targeting? Which products categories?

We are primarily engaged in the business of gold loan and have been part of the dreams and aspirations of our target group for over a century. We primarily are looking for audiences who are looking for quick loans, micro loans, education loans and medical emergency loans among others as our key segments.

Share some details about the influencer partners.

We engage the influencer community through digital marketing partners, who ensure the brand ethos and safety is taken care while engaging and generate maximum return on investment (ROI).



Kiran James indicates that Muthoottu Mini Financiers has been continuously investing in simplifying the customer journey with tech-enabled solutions

Which social media platforms is the company focusing upon?

The company considers Facebook and Instagram as P1 platforms to engage with the customers, whereas Twitter is used to support customer queries and complaints.

Have you used vernacular language for this activity? Who are the influencers and what customer segments do they connect with?

We pre-dominantly leverage vernacular language to connect with our customers and the engagement with influencers also falls under the same criteria. The connect with the audience is better when the community gets engaged in their mother tongue from these influencers with whom they have a personal connect which is what we have witnessed over the years.

Share some samples / details of the content being promoted.

Please have a look at the Instagram handle for latest influencer campaigns.

What are the other methods being used to target the same customer segments?

Apart from influencers, we work with a lot of regional publications to focus on the PR aspect and get our communication across to the customer segments without any ambiguity. We have time and again witnessed enormous success in our product proposition push when the same is done through PR and influencer community.

What are your key criteria for selecting an influencer? What are your criteria for avoiding / minimizing risk associated with any influencer?

We always look for ROI in every initiative at Muthoottu Mini and influencer engagement is no different game. We engage only those influencers who can drive the topic organically through their channel, based on their strengths and connect with the audience. We have our own metrics, which is co-developed with the digital marketing agency to rate the influencer on multiple parameters, which ensures campaign success.

Can you elaborate on your marketing and ad strategies? On media mix?

While we have time-tested media mix and strategies, we continuously explore newer options and platforms to expand our reach and have a top-of-the-mind recall in our target group. We are very keen on return ROI and believe good content based on the campaign's objective and the right mix of traditional media, digital media, PR, and Below the Line Marketing (BTL) are very important for cost-effective and impactful campaigns. We have a strong mechanism to continuously review the campaign to measure effectiveness and ensure we maximize ROI.

Are you planning to launch any other campaigns soon?

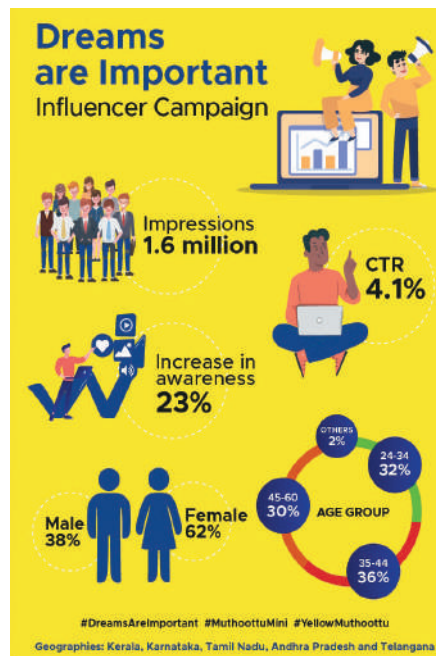
We have launched a new product the 'Safe Lock Gold Loan', for which we will be rolling out a campaign shortly. The

product extends our proposition further to help keep the physical gold in our safe along with insurance coverage and have a credit line that the customer can avail of within a few taps. We are reenvisioning the customer journey to increase ease of access and be closer to our customers via digital devices. While many brands have launched similar services, they have never positioned it firmly as it was just another line of service for them compared to a completely tech-enabled product from our side while reinventing the customer journey.

You are predominately a south based company. Barring Kerala, how do you assess the brand performance in rest of South and beyond?

We have an internal mechanism to listen to our customers continuously. We assess the brand performance through acceptance among customers and how quickly our offerings are gaining recognition and popularity among our customers. The new products which are getting launched are pure-play customer and need-driven.

Muthoot Mini offers a range of offerings from micro finance to insurance to wealth management. Is gold loan segment the



largest? How much do other offerings contribute, and how is each growing?

Gold loan is our core business. More than 90% of our portfolio is gold loans. Our segment of microfinance is also growing well. Microfinance crossed 100% growth this year. Insurance and wealth management are third-party product (TPP)

businesses – these also show an incredible growth rate. While our core proposition of gold loan is being accepted and appreciated, we are looking for newer ways to be part of the customer’s financial and wealth-building journey.

Several digital players are looking at an end-to-end offering, starting with payments. What is ‘Smart Pay’ on your site about?

We have been continuously investing in simplifying the customer journey with tech-enabled solutions. Smart Pay is one such initiative wherein the need for a physical visit to the branch is restricted to only the initial transaction. Later, all activities can be done in a few clicks sitting anywhere in the world. We are investing in improving our customer experience at every touch point and continuously exploring options to help our customers engage with the brand in a few taps.

How have you addressed regulatory changes with regard to credentials and scope of an influencer?

Being in the BFSI industry we take regulatory processes and procedures very strictly. Every engagement with the influencer community complies with ASCI guidelines apart from our internal mechanism to gauge the credentials of the influencer. Our internal metrics is being continuously evolved to ensure we comply with the latest industry guidelines with brand safety being the key to every engagement.

The Muthoot Finance brand is on the mind, and its effects would undoubtedly benefit Muthoot Mini. Is it also a challenge to stand out as a different entity?

All Muthoot group companies benefit each other since we all represent the same brand name and lineage. However, each brand has built its unique identity around brand colours over the years. At Muthoot Mini, our customers love us and fondly call it the Yellow Muthoot, which we have been leveraging over time in all our communication to make it stand out and be the preferred choice for them. The Yellow Muthoot is a tag that we wear on our sleeves proudly.

Becoming a New Gen Brand

Today, the Muthoot Mini (MM) brand stands strong as a trusted century-old financial services brand which people have been associated with for generations. However, over the years, there was a growing need for the brand to be a new-gen brand which speaks in the language of the youth, is socially responsible and connects better for a long-term association with the coming generations and be a financial service provider of choice. Earlier this year, MM launched a campaign which spoke of women’s empowerment and went viral on social media platforms.

Through this campaign, the company highlighted the true essence of what Muthoot Mini stands for in a person’s life journey. This campaign showcases how MM have been the silent partner to many successes to its customers. The women empowerment campaign was in the same direction where the content was the king, which was designed to touch upon the emotional aspect of chasing dreams and making them true through our products. Once we had the content, we designed our strategy to ensure we get virality with the right media mix and platforms.

The campaign truly lived up to the virality quotient, wherein the brand and campaign were trending on Twitter for over 4 hrs in the Top 3 hashtags, crossed 40 million views across all social media platforms and got news coverage across 300+ traditional and digital news portals. It was widely covered by media houses from print to TV and digital during the campaign period for the content, the right content mix and virality, which took the campaign to a different league altogether while touching hearts and giving our brand a top-of-the-mind solid recall.

From productivity & teamwork to **ESG & DEI**

Howden Insurance Brokers is placing abundant emphasis on technology, learning and emotional skills as it marches ahead:

Learning and development (L&D) is a key differentiator for skill building at Howden Insurance Brokers India. Over the years, L&D has risen to become more than a program operating in the background. It has evolved as a part of the Howden India culture – and one that more and more employees are seeking out.

More specifically, the respective department heads give special focus on the conduct, values and practices of the company during the ‘on job training’ to ensure maximum alignment with the company norms and IRDAI regulations.

Mahesh Chainani, Director & Principal Officer, informs: “We have drawn up a training calendar based upon the training needs of the various teams. We conduct regular induction training programs both at time of joining and once during every quarter. We design every training program with the program outcomes in mind, while addressing the challenges faced specific to the insurance broking business.”

SKILLS, STANDARDS, SESSIONS

The training needs of the various teams include soft skills, product knowledge and functional skills. Soft skills training covers communication (oral & written), conflict management, negotiations, problem solving and time management. Training also covers knowledge about lines of business (liability, fire, marine, claims, etc.), functional skills like MS Office applications, fire drill and safety, software tools, quality and security process.

The company gives special focus to the IRDAI regulations and guidelines as per ‘Insurance Brokers Code of Conduct’ which covers various factors such as during sales practice, while furnishing information, while explaining insurance contract, etc. Mahesh updates: “We conduct a special session on the Insurance Brokers Code of Conduct during the induction program.



Mahesh Chainani recommends that when employees feel valued and accepted, they will go above and beyond

Our employees also undergo brokers’ composite exams from time to time as mandated by the IRDAI. Apart from the structured training programs, we also conduct insurance quizzes and crossword puzzles that are popular with our employees as they promote informal learning.”

MEASURING PROGRESS, KPIS

Howden Insurance Brokers India measures progress through self-assessment questionnaires, informal feedback from peers and managers, focus groups, on-the-job observation and actual KPIS. The company assesses feedback of each training program and conducts a regular productivity review of employees’ performance to assess the impact of the trainings. The company addresses concerns, if any. Focus groups provide specific feedback on what went well as well as what needs to improve. Managers provide regular

inputs regarding on-the-job trainings and employee productivity. Finally, the annual appraisal cycle is based on the ‘Balanced Score Card’, where KPIS of every eligible employee is discussed, rated and assessed.

Mahesh cites an example: “Recently, we conducted instructor-led training programs on communication and negotiation skills, and we received positive feedback from the participants. Many stated they found useful tips, practices to implement at work. In the long run, we consider broader parameters such as retention of new skills and knowledge, business performance/productivity metrics, stakeholder perception, application of knowledge and employee engagement.”

CELEBRATE GREAT WORK

Today’s workplace has 4 generations – Gen Z, Millennials, Gen X and Baby Boomers – working and learning side by side. This dynamic creates a blend of communication and working styles, that Howden Insurance needs to build and evolve to greater levels of synergy. There is also a need to run more campaigns around ‘Allofus’ and socialize the core people values.

The purpose of the ‘Allofus’ campaign is to put a concerted, group-wide effort behind attracting, and most importantly, retain the very best talent out there. The campaign will make an explicit commitment to greater inclusivity; celebrate the great work that is already happening across the group to attract and retain talent so that it shares great ideas and make some noise about it. The campaign will also use the company’s collective power by motivating and uniting its people behind the campaign to build a business for the future. Mahesh points out: “We have already started working on this and hope to see the impact soon in areas of hiring, diversity and inclusion, equality and rewards.”

To ensure that the company achieves

its strategic objectives, it needs to put many enablers in action. Experiences offer practice to enable employees to gain further expertise in a particular area, help learners apply new skills, offset the forgetting curve and enable ongoing connections after. Going ahead, the company would like to use a holistic learning and performance ecosystem approach that has several components that touch learners at different points of their learning journey. Mahesh adds: “This approach will enable us to sustain and maximize the business impact of our learning initiatives. Accordingly, we would add elements that engage and motivate learners, inspire sticky learning the successful completion of training.”

TECH ENABLES WFH

Covid forced companies not already promoting a remote work environment to make the transition more quickly than expected. Howden Insurance made a seamless transition to 24x7 WFH. It found an incredible productivity boost among remote workers, it also saved high costs in travel, cut back on carbon emissions, and made IT more agile and scalable. Technology has further revolutionized the way the company communicates and shares information. Applications like Zoom, Microsoft Teams and social media platforms like Workplace are well leveraged in Howden Insurance, these have made its communication easier, faster, and more efficient. Apart from this, mobile-first business environments are now here to stay.

Many of Howden Insurance’s trainings have moved to online mode as the ‘Teams’ technology has empowered it to reach its employees across different geographies effectively. Further, since technology is being deployed in almost all functions, it has designed separate training programs for the same. Most of the HR functions are now online including performance appraisal. The use of Workplace has brought the entire Howden Group together, it has helped to celebrate milestones and share achievements seamlessly in real time. E-learning is another tool deployed for continuous learning. Some others have also started applying tools learnt in the ‘Time Management’ module to achieve better work-life balance.



People & culture are the two most important assets for Howden Insurance Broking. All its seven offices participate in the virtual group conference live meeting.

Mahesh proudly underlines: “We enable on mobile everything from our sales process, content marketing, and customer relations. Our leaders are able to communicate with their teams across the globe virtually. This has helped to socialise many new strategies and themes. We have deployed a special learning platform ‘Virtual Abridge’ where a variety of self-learning courses are available.”

Although the pandemic created emotional challenges for many people, it also normalized mental health needs at work, moving it from a nice to have to a business imperative. Some of the life skills that are coming to the forefront in Howden Insurance’s list include emotional skills (self-awareness and coping with emotions/stress), social skills (empathy, effective communication, and interpersonal relationship skills) and cognitive skills (problem solving, decision making and creative thinking). In the age of the great resignation, Howden’s key objective is to make sure that its employees are happy and fulfilled in their current roles. For this, it is running several initiatives such as EAP, financial counselling, flexi hours, etc.

DEI PLANS

Another objective is to increase employee involvement in volunteering activities and train its leaders on diversity & inclusion. Sustainability is another key area of focus and Howden Insurance has initiated many steps in this direction – including the rollout of the ESG policy and controlling carbon emission through awareness training programs.

To make this a reality, the company plans to create a volunteer group for diversity, equity and inclusion (DEI) initiatives. Empowering its volunteers to take the lead will provide an authentic connection to the DEI initiatives, connecting all its

regions as well in this initiative. Once Howden Insurance has assembled its DEI volunteer group, it would train and orient all members about DEI to ensure they understand their role. Howden Insurance will also connect the volunteer group to the local DEI community, possibly an online member community.

Mahesh elaborates: “Online communities are a fantastic platform for individuals to discuss relevant volunteer experience or industry information. This will provide an easy way for our DEI volunteers to communicate and will help them exchange ideas for upcoming initiatives or events.”

Howden Insurance will also socialize the above concepts through awareness trainings, aiming to recognize and value the abilities of all employees regardless of differences. When employees feel valued and accepted, they will go above and beyond. The most important focus would be to change its language, making it clear to employees and candidates that the company values diversity and focuses on creating a diverse workforce and an inclusive workplace. Training also includes increasing awareness of unconscious bias and reducing bias that can negatively influence management practices in a subtle manner.

Howden Insurance communicates its diversity and inclusion goals everywhere, including employee manuals, employment contracts, hiring, and onboarding materials and other company documents. The company already has a Diversity and Inclusion (D&I) policy in place hence it is imperative to help employees understand the essence of it. The company also pays attention to pay equity. Mahesh reveals: “Our employee-led D&I committee will ensure to provide a supportive and accepting environment that will encourage employee engagement and collaboration.”

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The INPF Way

Sony A, General Manager & CIO, South Indian Bank, explains the 4 pillars of the bank's digital strategy, describes several recent digital initiatives and reveals future digital plans for overall growth of the bank.

What are the changes made in the digital strategy for customers of your company for the current FY?

Sony A: Digital strategy of South Indian Bank is instituted on 4 pillars viz. INPF ie, Indulge (customer self-service), Nudge (assistance to be nudged to go digital), Purge (remove redundant processes using automation) and Forge (impactful fintech partnerships). Enhancing self-service capability across channels, empowering branches with technology solutions to nudge the customers to go digital, automating manual processes at branches & back offices to improve customer TAT using AI & RPA and tie up with fintechs is the integral part of bank's overall digital strategy.

The bank's increased focus on digital banking led to the formation of the digital division, which focuses solely on innovating, improving and implementing digital products that align with the bank's business strategy, across our channels - ATM/cards, internet banking, mobile banking, with a special focus on emerging technologies.

Leveraging digital technologies to enhance CX is the key objective. Consistently ranked in top 10 Digital Transaction Achievement lists by MeitY, the bank's digital banking initiatives are all aimed at offering a better customer and staff experience, by increasing customer base, improving other income, reducing operation cost and preparing the business for the future.

How has SIB benefited from implementing digital strategy in the last 2 years?

The share of digital transaction of the bank has grown up to 94% in FY2021-22. This increase in digital transactions resulted in increase in income through digital endeavours which is visible in first half of the year. We also expect a considerable increase in digital transactions as a result of ecosystem factors, combined with our own efforts.



Sony A reveals that South Indian Bank will be exploring new digital mediums as a part of its brand campaign

Please describe underlying technologies at your bank. What is the usage patterns of apps and digital platforms. How many of your customers are using mobile banking?

We continue to leverage the existing legacy technology platforms for digital growth in parallel with our strategy of modernization of our technology stack including but not limited to cloud adoption, block chain, AI-ML and RPA. We also have formidable partnerships with fintechs to offer cutting edge new digital products. We have seen an increasing trend in mobile banking adoption among customers and have already witnessed in excess of 30% y/y increase in our mobile banking customer base. With current focus in digital initiatives, we see a tremendous opportunity in harnessing more customers to our digital landscape.

How much online business is garnered by SIB in the current FY? Which 3 states give you the maximum business?

South Indian Bank, through a fintech tie up has ventured into credit card business which has a 100% digital onboarding journey. We have acquired nearly one lakh customers this financial year for credit cards up to Q2, of which 80% customers are new to bank. As part of banks digital sales strategy, dedicated channels are created for merchant acquiring, corporate and retail digital onboarding which is expected to further accelerate the digital penetration. Centralized campaigns together with regional drives have also given good results. The mobile banking activation has increased to 78% in NTB eligible accounts. Our major customer base is mainly from 3 South Indian states - Kerala, Tamil Nadu and Karnataka.

Who are the main technology vendors of the bank? Tell us about data center, networking hardware, size of your IT team and training?

The bank's core banking and internet banking platforms are powered by Infosys. Mindgate is our strategic partner in digital growth especially in UPI, IMPS, FasTag, etc. Oracle is our major partner in almost all products. We have around 240 member IT team and organization has a dedicated training department/facility. Upskilling the staff has been a prime area of our digital focus where we have rolled out a whole self-learning program. We have also partnered with Coursera for providing access to the vast collection training material for our staff.

How have you gained by deploying analytics to increase business?

For bank with a legacy of over 93 years with a pan India footprint of 926+ branches, understanding the customer is always a big challenge. Deployment of analytical tools has given us the advantage of understanding our customer base of 7.5 million to its core. So far, analytics has played

a critical role in understating customers' behavior, preferences and positioning, and to become relevant to their needs real time. Also, analytics has helped us to understand the likelihood of churning which helps us to take action in advance and do the needful to convert them to an active client. The results of such efforts have led to arrest the churn by >10% in the last 12 months, which has been immensely gratifying.

The bank has embraced its data driven decision making journey like never before. We are using machine learning algorithms and AI to drive our business. We have rolled out pre-approved retail asset products backed by ML algorithms. For streamlining credit underwriting process, we have adopted advanced analytics techniques. These methods have significantly helped us improve customer experience, reduce processing time and improve asset quality. A CASA customer retention model, which will help sales team to engage with the customers and provide better services, is in pipeline.

Also, we are in the process of coming up with more robust techniques for cross/up sell by employing advanced analytics techniques and tying up with experienced analytics consultants in BFSI market. These strategies have helped us improve our retail business considerably. To formulate effective collection strategies, an ML model based on risk segmentation of customers is underway. We intend to exploit the power of AI and ML to further strengthen our business and processes in future.

How is technology put to use for CRM?

We have a dedicated data science team which analysis customer behavior from the very first day. We nurture a customer's journey through various communications basis our propensity modelling and this has helped us to design, upsell and cross-sell campaigns that are relevant to our customers and thus improving the conversion rates.

A good CRM tool not only helps to have a 360-degree view of our customer data but also helps to understand our customers' persona and their different stages in a customer lifecycle. To take full advantage of CRM, one should complement it with an effective marketing automation tool. Integration will



not just help in better data management but also to enhance customer experience. CRM has been effectively used for customer compliant redressal, lead management and showcasing 360-degree view of a customer.

We have deployed CRMNext solution as part of it. It will further boost business efficiency by providing better understanding of the existing customer relationships, allowing greater control on customer feedback i.e complaints, queries etc raised through any channels or social media platforms. Lead management will help to meet aggressive targets, identify fresh business and to narrow down future prospects.

As part of 360-degree view, all actionable aspects related to the customer such as information on his current portfolio, related information such as products and services held, wallet share, demographic information, activity history, case history will be visible at relationship management/ branch user end to improve banking experience of the customer.

What are you doing to enhance CX?

In this digital era, providing a smooth, seamless customer experience is our utmost priority. We ensure that customer's first interaction with us is end-to-end digital, seamless and have a quick turn-around-time of not more than 15 minutes. We ensure our customers receive the communications at their preferred mediums and at the most suitable time, to trigger an action which will be based on their behaviour analysis as mapped earlier.

A well-researched customer segmentation has helped us to avoid irrelevant communication to our clients, streamline our communications and evoke better engagement. By following a phygital approach, we offer a combination of physical and digital experience to our customers.

How strong is the bank's presence on

social media? What have been the online marketing & promotional efforts undertaken lately and planned for the coming year?

Social media is the platform where we can directly reach out to the upcoming customer segments - Millennial and Gen Z. As a brand, our efforts are focussed on staying upbeat with trending topics and widen our brand presence across social media channels through engagement activities. In addition to product centric campaigns, in 2023 we will be focusing aggressively on our brand campaign, through which, we want to highlight the trust that we bring with 94 years of our legacy and highlight our technological supremacy with the array of digital products. We will be exploring new digital mediums as a part of our brand campaign, be more visible nationally as well as regionally through influencer campaigns and plan segmented campaigns in music streaming apps.

What are your targets and plans for IT, digital initiatives, for the current FY to increase business and productivity as well as to expand customer base?

We have recently launched foreign outward remittance through our channels to cater the ongoing trends in education, medical and travel. We have also launched trade finance platform for our corporate customers which is constantly being enriched. We are also in the process of upgrading our loan origination system to tailor the demands from various segments to simplify the credit business flow. We are heavily focusing on automating our internal business and operational processes to improvise the productivity. Various cloud-based SaaS services are in use like Vayana, OneCard-Credit Card, Legality, etc. South Indian Bank is moving towards initial phase of public cloud adoption based on the approved cloud adoption strategy of the bank.

Boosting technology and tech-skills

Kotak MF has been working on moving from multiple stacks to a single stack to reduce the go-to-market time for its websites and mobile applications:

Kotak Mahindra Mutual Fund (Kotak MF), with 89 branches and presence in 84 cities, has approximately 4.38 million investor folios in various schemes, as of 30th September 2022. Kotak Mahindra Asset Management Company, which started operations in December 1998, is the asset manager for Kotak MF.

ONTO WHATSAPP & AWS

Kotak MF has continued its focus on organic growth in digital and positioned all its infrastructure keeping organic customers in mind. Like every organization, it too is keen on building a digital business, and for the same, it continues to focus on building multiple digital assets and teams. Simultaneously, it has re-engineered its infrastructure keeping scale in mind.

In the current FY, Kotak MF has new targets in mind related to the overall performance of both website and mobile applications. Kinjal Shah, Head, Digital Business & Marketing, Kotak Mutual Fund, informs: “We have migrated our core digital property - website and mobile apps - to AWS infrastructure with a clear focus on leveraging the flexibility and speed the cloud offers. We are working to enable better performance and user experience. We also focus on enhancing out bot capability on WhatsApp and our website and making it a virtual relationship manager in the true sense.”

CLOUD SAVES TIME

Technology is integral to all the discussions of Kotak Mutual Fund and no organization will have a different view on technology. The MF industry still has a long way to go when it comes to penetration. The MF industry’s AUM to GDP and penetration is extremely low as compared to the west and some of the traditional products. The only way to cover the ground is the usage of



Kinjal Shah reveals that Kotak MF is building a solid content team in-house to reach out to potential customers

technology and reach out to maximum people and ensure the experience of all digitally savvy customers keeps going up.

Kinjal shares facet of technology: “We have migrated most of the database to the cloud and selectively moved customer data to the cloud, keeping all security in mind. We have been working on unifying our tech stack and moving from multiple stacks to a single stack, which helps us reduce the go-to-market time for websites and mobile applications.”

DISTRIBUTION: BUSINESS HUB

When it comes to retail investors, a significant part of retail business is still driven by Mutual Fund distributors. Kotak Mutual Fund works with multiple vendors based out of Bangalore, Pune, Chennai and Mumbai. These days, most expenses are opex in nature as most of the cost is pay-per-use on the cloud, which also provides flexibility to upscale or downscale based on usage. Kinjal reveals: “We are shifting our approach

from vendor-driven development to an in-house controlled development approach and are adding senior technical resources to our team. We have created a dedicated application called Kotak Business Hub to facilitate distributors. We have ensured that it has all functions, be it transactions, servicing, learning, and marketing needs.”

ANALYTICS & CRM

Analytics is always an excellent enabler for any organization as it helps in getting direction take necessary actions wherever necessary. Besides this, analytics has become a critical vertical as it helps contribute to cross sell, upselling and preventing churn. Kinjal explains: “We have started investing our time and money to build suitable models to help us scale our business. We have moved to Microsoft Dynamics for CRM, and all our sales and customer service team members use the same. It comes with a set of best practices that help us reduce development efforts for out-of-the-box functionality that is already available there.”

ENHANCING CX, SM PRESENCE

Kotak Mutual Fund has implemented various analytics software to listen and watch what customers experience (CX) on the website and app. It is also present on all core social media channels such as YouTube, Instagram, Facebook, Twitter as well as LinkedIn, and is taking social media very seriously. Kinjal elaborates: “Based on the breakpoints or inconvenience, we align our maintenance and UI/UX teams to enhance our product development. This approach has helped us proactively solve many problems and give a better experience. We are building a solid content team in-house to reach out to potential customers and educate them regularly instead of on a campaign basis.”

2gthr & Xlr8 platforms drive partnerships

Sandeep Sonpatki, Chief Business Officer at Lendingkart, reveals the company's strategies and technology approaches for deepening partnerships:

Ravi Lalwani: Has the pace at which the organization engages with new partners changed? Please share a couple of recent examples.

Sandeep Sonpatki: In the digital lending space, there is a rise in partner engagements. Lenders are looking at agile partners to help them in expanding their products, extending reach, or bettering customer experience – and at the same time bringing speed in going to market and efficiency in operations. New partnerships and collaborations are touching all parts of the business.

At Lendingkart Platforms business, we are extensively partnering with banks and other NBFCs to deliver easy finance to our target segment through our 'xlr8' distribution platform. Xlr8 helps our clients get a pan-India distribution reach across 11,000 pin codes, through our on-field agent network and 120+ online channel partners. One of the key ingredients of a successful partnership and quick go-to-market, that we have seen is the stability of underlying technology architecture. Our partners who have a mature and evolved technology platform with well-defined APIs, tend to have deeper and tighter relationships. We can deliver a better customer experience - seamless processing of data and hand-offs. On the other hand, the lack of API-based platforms results in manual workarounds, increases operating costs, and has an impact on customer TAT.

Compared to past partnerships, how are your newer partnerships different in terms of domain, length of engagement, speed of delivery, etc?

Any new partnership starts with the alignment of business objectives. Newer partnerships are more structured and there is better clarity in terms of expectations. Once that is aligned, we usually run it like a project management office with a regular cadence and



Sandeep Sonpatki recommends API integration to enable deeper & tighter partnerships

involvement of stakeholders from either side – to cover business, product, legal, technology, etc. Most of our partnerships are tech-centric. The integration is faster, typically takes about 1-2 sprints (2-4 weeks), accelerating our go-to-market, and is long-term in nature.

How are you making engagement with partners grow from person to person to org to org?

We have seen that partnerships are deeper and stronger where we have multiple levels of engagement and are not just restricted to 1 or 2 persons on either side. Increasingly we are moving away from just a relationship manager (RM) model-driven engagement to a multi-stakeholder model where we have active interactions between teams from both sides across the business, product, technology, analytics, and operations teams, etc. Direct interaction and engagement help the teams build greater trust, solve problems faster, and achieve business growth through greater collaboration.

Name some areas where you want your partner engagement to be highly variable.

Lendingkart's '2gthr' lenders marketplace brings lenders and originators on a common platform. By setting up a bridge between these organizations, we enable large lenders to evaluate the business models of smaller fintech firms and make informed decisions about whether to invest in or partner with them. This helps large lenders stay ahead of the curve and access new technologies and services that can help them better serve their customers. At the same time, our platform provides smaller fintech companies with the opportunity to access capital and gain exposure to a larger audience, helping them scale and grow their businesses.

What kind of perspectives are you including in a partnership so that the termination happens smoothly?

- a) Communication: Establishing open and regular communication is important for maintaining a healthy partnership and address any issues that may arise and work together to find solutions.
- b) Mutual benefit: Partnerships should be based on mutual benefit. This can help ensure that both parties are committed to the partnership and are less likely to end it prematurely.
- c) Flexibility: Being open to change and adapting to evolving needs can help organizations maintain a healthy and productive relationship.
- d) Exit strategy: Organizations need to plan for the eventual end of a partnership, even if they hope it will be a long-term relationship. This can include establishing an exit strategy that outlines the steps if the partnership ends, such as transferring assets or intellectual property.

ML, AI & data analytics drive Capri's growth

The NBFC aims to open 1500 exclusive gold loan branches and is targeting a gold loan AUM of ₹80bn over the next 5 years:

Capri Global Capital (CGCL) has reported a strong pick-up in disbursements, which touched ₹14.86 billion during Q2, 2022-23, increasing 57.2% y/y. This strong momentum was noted across all products resulting in the consolidated AUM increasing 47.4% y/y to touch ₹77.69 billion. CGCL did a massive branch expansion, adding 225 branches in one year to Q2, 2022-23 taking total branch network 325 branches. The car loan origination vertical has a presence across 322 locations in 29 states and UTs.

The gold loan foray was announced in Feb'22 and the product has been formally launched in August'22 through 108 exclusive branches. This has quickly scaled up to 182 exclusive gold loan branches with an AUM of ₹1.39 billion as of Q2, 2022-23. Lending business has a branch presence in 14 states, UTs. Rajesh Sharma, Managing Director, updates: "Gold loan business has contributed 10% to the total disbursements during the second quarter. Our focus on expanding the geographic footprint and in-house loan origination has helped the company maintain a strong momentum in its business. All gold loan branches are equipped with AI enabled security systems and safety vaults. Borrowers have a dedicated relationship manager for a smooth experience."

SENP, NTC CUSTOMERS

During the last 4 years, the company's customer base has been increasing at 33% a year. The lender focuses on customers in the 'Self-Employed Non-Professional' (SENP) category in tier 3 & 4 cities. Its customers are small business owners who may not have a formal proof of income.

In housing loans, 53% of CGCL's loans are given to self-employed customers. CGCL has also built expertise in underwriting loans to new-to-credit (NTC) customers or customers without any past credit history. Sharma explains: "Our 15% disbursements in last FY were to NTC customers. We shall continue with its focus on the SENP and NTC customers in tier 3 & 4 cities,



Rajesh Sharma will focus on the SENP and NTC customers in tier 3 & 4 cities, where he sees ample opportunity

where we see ample opportunity in credit intermediation. Growth in past 4 years has been organic through in-house acquisition of new customers and without a dilution in the ticket sizes of loans."

RESTRUCTURING, RESILIENCE

A significant 86% of CGCL's retail borrowers by value being small business owners were also amongst those impacted by the covid pandemic. The remaining 14% belonged to salaried segment. In-line with the guidelines issued by RBI, CGCL extended the restructuring facility to all eligible borrowers. As of March 2022, the total restructured loans amounted to ₹2161 billion and carried a 22% provisioning.

Sharma clarifies: "However, the construction finance portfolio, which comprises lending to affordable housing projects, showed remarkable resilience. We did not have to restructure any exposure in this portfolio and the asset quality has stayed pristine with nil NPAs. Most of our restructured loan portfolio in the retail segment would exit moratorium by Q1,

2023-24. Regular servicing through EMI payments has commenced."

SALES MOBILITY APP

CGCL has undertaken a number of initiatives on the technology front in the past 2 years. Its key digital initiatives include OCR-based documentation, eNACH registration, video KYC, digital signatures, and incorporation of UPI payments from leading payment service providers and gateways into its systems. The car loan distribution vertical has its own car loan leads application that has been developed in-house. CGCL has a customer self-service portal and a CRM application to interact with customers digitally. As at June 30, 2022, the company's in-house tech team comprised 59 employees.

Sharma points out: "Our sales mobility application has digitized 50% of the loan origination to disbursement process. The tech footprint is entirely cloud based. A data analytics platform and data warehouse are in place. Key enablers of our expanding technology footprint are the in-house technology team, investments in and deployment of the latest technologies, including machine learning and artificial intelligence, and the data analytics platform."

TARGETS, PLANS

CGCL has already added 210 branches in H1, 2022-23 including 182 exclusive gold loan branches and 28 branches for other businesses. It commenced retail footprint in Uttarakhand and is further expanding in Uttar Pradesh. The focus on states of MP, Rajasthan, and Gujarat for both gold and non-gold retail businesses continues. Sharma reveals: "We will continue to expand branch presence deeper in existing states in North and West. We will continue to improve processes and evaluate all opportunities to leverage the digitization and make the entire loan journey seamless. We aim to open 1500 exclusive gold loan branches and are targeting a gold loan AUM of ₹80 billion over the next 5 years."

Expanding via Mobile App & Co-Lending

Thanks to digitised systems and processes, Indel Money has made its branches virtually available at the doorsteps of its customers:

Indel Money has grown by more than 25% in the first quarter of the current FY in terms of the AUM. The growth has mainly been driven by revival of the credit demand in the semi-urban and rural areas. It has developed its gold loan products keeping in mind the interest of the customers and investors. Its gold loans aim to safeguard the customers against gold price volatility. On one hand, the borrowers benefit from the flexibility and convenient access to credit. On the other hand, investors have the support of liquidity and security.

Umesh Mohanan, Executive Director & CEO, indicates: “We have an aggressive expansion outlook to capture a sizeable market share with our short-term and long-term gold loans, digital gold loan solutions and efficient customer service. We are working towards taking the AUM to ₹13 billion in FY22-23. We have plans to open 80 new branches and expand our presence to Maharashtra, Gujarat and West Bengal in FY22-23. The company has approx. 1.4 lakh customers.”

DIGITAL PERSONAL LOANS

The launch of the digital personal loan is a part of Indel Money’s ongoing digital transformation drive. Any existing KYC-fulfilled Indel Money gold loan customer with a decent gold loan repayment track record can apply for Indel Money’s digital personal loan. The loan amount will be sanctioned on the basis of the average transaction value of the particular customer for the previous 12 months. The rate of interest is in the range of 10-20%, which shall vary on the basis of credit scoring. Whereas the repayment tenure is in the bracket of 3-6 months.

Banking on its comprehensive and easy approval and loan processing systems, customers will be able to meet their financial requirements in the comfort of their home. Indel Money’s near-term goal is to tap the underserved demand for immediate cash among its existing customers to help them



Umesh Mohanan observes that the success of Indel Money’s digital personal loan launch will motivate it to go for a more broad-based roll-out of personal loan products

fulfil various personal commitments and exigencies.

Umesh elaborates: “We are presently offering the digital personal loan to our existing customers who belong to the low monthly income group. Due to growth in the internet penetration beyond metro cities and the increase in our digital customer base, the success of our digital personal loan launch will motivate us to go for a more broad-based roll-out of personal loan products.”

MULTI PURPOSE APP

Indel Money has digitized its transaction processes in such a way that the physical presence of the customers at branches have reduced to the minimum. Umesh explains: “Through our mobile app – named Indel Money – these customers can apply for personal loan, avail the loan and repay it. The response has so far been excellent thanks to easy accessibility, convenience

and optimum usability. Thanks to digitized systems and processes, we have made our branches virtually available at the doorsteps of our customers.”

CO-LENDING PARTNERSHIP

The co-lending partnership with banks places greater responsibility on Indel Money to excel in managing the gold loan lifecycle. The businesses across sectors have demonstrated adaptability and resilience to accustom to the new normal and spur growth in the post-pandemic phase. Offering easy access to credit to fuel business revival is one of its priorities. To support the revival, it has launched a 2-year gold loan scheme.

Umesh informs: “This is especially for those businesses that face credit scrutiny by the lenders while evaluating credit worthiness. The co-lending partnership underscores the trust and value that the bank has on our expertise and technology capability to meet unsolved credit needs of the underserved segments of borrowers. The partnerships, which are with IndusInd Bank and DCB Bank, helps us serve an extensive range of customers across geographies and ticket-size.”

GOLD LOAN POTENTIAL

Gold loan has emerged as the quickest financing option available without any bureau or credit history check during the period of credit stress. According to various estimates, the organized gold loan is currently valued at ₹4.14 trillion and is projected to grow at 3-year CAGR of 19.5% to reach ₹7.55 trillion by FY2024. Umesh feels: “Being the second largest consumers of gold, the country offers huge opportunities to grow the gold loan book for the gold loan companies by meeting unmet market demand. With the economy regaining its growth momentum, gold loan demand from individuals and the MSME sector is expected to increase further.”

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D_{CoE} drives, A_{CoE} navigates

Karnataka Bank has migrated 93.17% of customer transactions to digital means. KBL Xpress cash adoption is 100%, KBL Xpress car loan is 79%, KBL Xpress home loans is 76%, KBL Xpress MSME loans is 75% and KBL Xpress SB account is 59%:

Mahabaleshwara M.S., MD & CEO at Karnataka Bank, provides insightful updates on the digital initiatives and IT transformation.

Mehul Dani: What are the changes made in the digital strategy for Karnataka Bank's customers in this FY? How has your bank benefited?

Mahabaleshwara M.S.: Under wave 2.0 of 'KBL VIKAS', a holistic transformation journey has taken place and put digital banking on fast forward mode. 'KBL NxT' concept was launched in the year 2021, with an objective to eventually emerge as the 'Digital Bank of Future'. As part of KBL NxT journey, the bank has implemented latest technologies for enabling digitization under various verticals viz. customer experience, operations, human resources, technology, cyber security, digital marketing, partnerships, etc. Cost optimization, better analytics, risk mitigation, reach, ease & experience are the key KPIs envisaged out of the product journey re-imagination, and the underlying infrastructure of digitization was aimed at enhancing the speed to market our future products and to position ourselves as 'Digital Bank of Future'.

Digital Centre of Excellence (DCoE) of the bank was established in January 2019 to play a significant role in the bank's holistic transformation. Today DCoE is the hub for incubating various digital products, driving process innovation, increasing automation, digital marketing and social presence, for increasing customer engagement, customer satisfaction and operational excellence for the bank. DCoE's vision is to continuously innovate, build best in the class products and processes using agile methodologies, partner with fintechs, focus on UI/UX and increase AI/ML adoption with



Mahabaleshwara M.S. believes that going forward at least 80% of Karnataka Bank's retail loans underwriting will be under the digital channel

compliance to regulatory guidelines.

DCoE has developed digital journeys covering retail and MSME loan products using business rule engine for automated verification, income assessment and credit underwriting. Account opening products leveraging the potential of India Stack and officially valid document (OVD) verification process are enabled through tab and web. A few key highlights of these journeys are as follows:

- ◆ End to end digital self-journey is available for cash loans, with 'time to cash' in less than 10 minutes.
- ◆ Constant adoption on the digi-eligible applications of over 80% across the retail & MSME loans.
- ◆ Best in-principle sanction time, thus significantly improving the TAT.
- ◆ CSAT scores ranging between 4.30 to 4.80 on a scale of 5 across various loan and on-boarding products.

- ◆ Customers are on-boarded digitally, resulting in opening of an account in less than 5 minutes with End-to-End (E2E) paperless digital process, which has presently touched an overall adoption of over 60%. Self on-boarding journeys along with V-CIP (video-customer identification process) is also enabled for the convenience of the customers to open accounts from their place of choice.
- ◆ Decisioning powered by business rule engine & custom-built score card, along with the required integrations to bureaus and anti-fraud solutions.

Karnataka Bank has also started an Analytical Centre of Excellence (ACoE), as a key enabler for data driven decisions, under KBL-NxT initiative. This will create a 'data driven decisioning' culture at the bank, and positively impact profits through revenue growth and operating cost optimization. The scope of ACoE covers stages from assessing current data, building & cleaning it, creating infrastructure to host, acquiring platforms for modelling, prioritizing use cases, building maturing scaling predictive models, adapting business process for input model outputs, training and screening right skills, from close to 100+ use cases already in use in the banking industry with various degrees of impact.

Please describe the underlying technologies at Karnataka Bank. What is the usage patterns of apps, digital platforms, etc.

Bank has deployed Finacle as core banking system (CBS). Various delivery channels are integrated with it through middleware. We have obtained API gateway to onboard APIs to enable API based banking. This will make the business processes more effective, as it allows

different slices of the organization to work together in a synchronized manner.

The Information Security Management System (ISMS) of the bank has been accredited with 'ISO 27001:2013' certificate, encompassing the bank's data center / IT cell, near line site (NLS) and information technology department including the DR site (IT & DR). State-of-art IT set up which has enabled anytime anywhere banking through alternate delivery channels such as (i) ATMs, VISA International Debit Card, RuPay Debit Card, Cash recycler, etc. (ii) Internet banking, mobile banking, IMPS, e-lobby, national common mobility card (NCMC), co-branded credit card, and (iii) 2 DBUs (Digital Banking Units) and 4 Digi Centers, which facilitate various digital activities and includes digital onboarding of customers.

How many of your customers use mobile onboarding / trading / banking?

Karnataka Bank has introduced KBL MobilePlus (mobile banking) and BHIM KBL UPI (KBL SMARTz for UPI payments) as its digital products for digital payments apart from traditional internet banking and debit card. Around 93% of customer transactions are through digital means.

Around 60% of the customers are registered with the mobile banking, which provides features of deposit opening and closure, QR code scanning, bill payments, fund transfers, submission of 15G/H, recharge online, FasTag issuance & recharge, travel booking, online investments in mutual funds and insurance, school fee payment, applying for lockers, applying for digital loans and many more. More and more features are being provided through mobile banking platform, which facilitate increased digital payments to customers.

Karnataka Bank has introduced BHIM KBL UPI mobile app for UPI transactions. BHIM KBL UPI app is a mobile application for all transaction needs, which facilitates bank's customers to add own and other bank accounts linked to his/her registered mobile number and initiate payment and collect

fund transfer request based on virtual ID, Aadhaar number, bank account number with IFSC code, mobile number with MMID.

The DIGIDHAN Mission set up in June 2017 under MeitY (Ministry of Electronics & Information Technology) is publishing the scorecard on digital payment transactions from 2017-18 after reviewing the performance of the banks under various parameters. As per the DIGIDHAN dashboard for FY 21-22, our bank is ranked number 1 under small & micro bank category and 6th under overall banks category, which indicates the big stride made by the bank in digital space.

What percentage of business is generated from digital channels and how is its adoption?

Bank has introduced a suite of digital products both under liability and asset side. Various digital loan journeys have been introduced viz. KBL Xpress Cash Loan, KBL Xpress Car Loan, KBL Xpress MSME, KBL Xpress Micro Mitra Loan, KBL Xpress Business Quick Loan, KBL Xpress Ghar Niveshan and 2-wheeler loan KBL Xpress Easy Ride.

On the liability side, bank has introduced customer on-boarding through web and tab-based Xpress SB account, instant online account opening through video KYC (VCIP), online locker booking, online Re-KYC etc., with several new products.

93.17% of customer transactions are through digital means. KBL Xpress cash adoption is 100%. Adoption of KBL Xpress car loan is at 79%, of KBL Xpress home loans 76%, KBL Xpress MSME loans 75% and KBL Xpress SB account 59%. Going forward, I believe that, at least 80% of all our retail loans underwriting will be under the digital channel.

How strong is the bank's presence on social media? What have been the online marketing & promotional efforts undertaken for the current FY and planned for the next FY?

With reference to the presence on



Karnataka Bank award

social media, banks today have evolved to cater to the ever-changing demands of the customers and have become accessible 24x7 by establishing a strong online presence. To increase brand visibility, the bank is managing multiple verified handles such as Facebook, Instagram, LinkedIn, Twitter, Youtube and Koo.

Through social media, bank has been able to build brand awareness, public awareness, promote financial education, PR updates, etc. Bank executes focussed campaigns and social media marketing on the basis of scientific profiling of target base, in order to reach the stakeholders, and this method prevents dilution of brand strength. The bank has been able to update content related to product, services, offers, enhancements, etc, and deliver them to customers and also receive instant feedback from the customers on such products and services. The instant review by the customers has enabled the bank to take corrective actions and develop a much better/suitable product based on the preferences of customer. The bank has been able to generate quality leads through various organic campaigns.

The bank is staying connected with the analysts, investors, corporates and high-profile customers using professional handles such as LinkedIn. Senior management of the bank is actively engaged on LinkedIn by posting various articles, sharing industry insights, etc. The bank's social media has complimented the bank's transformation journey to achieve growth with excellence and innovation. Third party publisher network and Google Display Networks along with few ad exchanges are in line to be initiated. To stay relevant, innovative 360-degree marketing approach for inorganic campaigns will be executed to have a strong and vibrant social media presence.

Choosing genuine influencers prudently

Tarannum Hasib, Chief Distribution Officer, Canara HSBC Life Insurance shares the details about the company's influencer marketing programs, influencer partners & strategies to minimize the risk associated with influencers:

Ravi Lalwani: Is the company using influencer marketing? For how long?

Tarannum Hasib: Influencer marketing has picked up pace in recent years and has significantly impacted buying decisions across all strata and sectors and we have been no different. We at Canara HSBC Life Insurance have been using a mix of nano, micro, and mega influencer marketing for more than 5 years now. It has been a promising journey for us and has helped us garner commendable results and reach the desired target audience, hence we continue to do so engage in the same.

Which customer segments are you targeting? Which product categories?

Insurance is something that we all require at almost all stages of our life journey so when we talk about customer segments, our focus is on people between the age of 25 to 65 - in other words, the decision-makers. The core focus of our target audience has always been the people with insurable income across India looking for ways to secure themselves and their loved ones.

Share some details about the influencer partners.

We scout for our influencers on various content platforms and not just one to bring in versatility and reach out to varied audience sets. We have been working with market leaders including Momspresso, Leo Burnett, and Pixellation for a long time, and this multi-partnership has been more than rewarding for the company.

Which social media platforms is the company focusing upon?

People like to traverse through multiple social media platforms



Tarannum Hasib reveals that the company is focusing on Instagram reels on life lessons & parenting to influence its customers

throughout the day, so the idea has always been to engage people across various platforms like Facebook, Instagram, YouTube, and Twitter. We want to tap our audience through as many channels as possible and gain their attention and trust as we offer our promising services to them.

Have you used vernacular language for this activity? Who are the influencers and what customer segments do they connect with?

The most amazing part about our association with the content platforms is that we get to spread our communication in vernacular languages too as most of them enjoy a strong presence across many regional languages. Although for our content, we have used languages such as English, Tamil, Hindi, Telugu, Marathi, and Bengali to promote our message to a

wider range of audience and offer them the best of our products & services.

Share some samples/details of the content being promoted.

We have a plethora of content that we have conceptualized and promoted over the years. We have done Instagram reels on life lessons from parenting with influencer Rashi Vohra on her justmommmying page, and Dr. Yashi on her the-compulsive mommy Instagram page and we have also done #PromisesKaPartner series with Lalit Choudhary on his Instagram page lalitchoudhary13.

What are the other methods being used to target the same customer segments?

We have been using a combination of channels like dark social, digital banners, and video properties to target the customer segments, which have proved to be precise in helping us reach our targets and they continue to meet our expectations well.

What are your key criteria for selecting an influencer? What are your criteria for avoiding/minimizing risk associated with any influencer?

Being a transparent organization, one that believes in serving people with care and genuineness, we choose our influencers with utmost prudence - those who carry the same values in their hearts. This is why we always partner with creators that are genuine and have a strong and trusted media presence. This has been our major criteria for avoiding and minimizing the risk associated with influencers, and we have sincere intentions of continuing to select our influencers based on these values as we move forward.

50 STPs to boost CX at UBI

Analytics wing of Union Bank of India enhances bank's functioning from credit underwriting, HR practices to marketing of products, redefining customer experience:

Union Bank of India has been a pioneer in adoption of new technologies in order to provide effective and efficient services to its customers. Rajiv Mishra, CGM, Department of Information Technology, Union Bank of India, shares his expert opinion: "Customer experience is not only the UI (user interface) /UX (user experience); the underlying platform data and intelligence derived from data also needs to be put in place. Data needs to be tapped and used for decision making. The analytics wing of bank is launched to leverage the power of AI/ML to transcend bank from traditional banking to digital bank within bank."

AI FOR CUSTOMERS' LOANS

With recent launch of pre-approved personal loans purely based on analytics, the bank has achieved a considerable portfolio under the personal loan scheme. Analytics wing is constantly striving to enhance bank's functioning. Rajiv elaborates: "The bank has harnessed AI in determining home loan customers' requirement of top-up loan to bridge their financial necessity. Analytics wing enhances credit underwriting, HR practices and marketing of products, thereby redefining customer experience. The bank has also launched various STP (straight-through processing) journeys for online applications for retail loans."

BIZ THROUGH DIGITAL

Till last year, bank's focus was moving transaction from branch to the digital channel, which was achieved up to 80%. Now the bank is focusing on IT to be the enabler for grabbing the unattended retail and SME share in the market. The bank is aiming to capture the business through the digital channel by undertaking a digital transformation. The bank has come up with a 5-year



Union Bank of India's innovation team members include CTO Anil Kuril, DGM R.P. Singh, AGM Viplove Bohra, CM Ratna Prasad, Anchal Sharma, Ravikant and Jogesh Pradhan

strategy to capture 50% of our saving, current, acquisition and RAMS (retail, agriculture and MSME) customers to be acquired through the digital channel by 2025. This is the ambitious plan that the bank has put in place.

PRE-APPROVED LOANS

Bank has launched a customized pre-approved personal loan (PAPL) product which offers a loan up to ₹0.5 million to existing customers with good credentials, based on analysis of parameters like average salary credit, regular repayment of loans, CIBIL score, etc. Rajiv says: "We give loan offer on the app. Once the customer accepts the offer on the VYOM app and opts for the loan, the amount instantly gets credited in his/her salary account. The entire process including documentation is fully automated and requires no manual intervention of branches/centralized processing cells. Under PAPL scheme, our bank has sanctioned more than ₹7.40 billion of advances."

LOANS THROUGH STP

Now one can avail 'Shishu Mudra Loan' digitally with Union Bank of

India's Straight Through Process (STP) technology. Bank has introduced several STP journeys for reducing the TAT in sanctioning SME loans, agriculture loan, Shishu Mudra loans, renewal of agriculture loans, credit cards, etc. Rajiv updates: "The bank has done renewal of 93,000+ accounts amounting to ₹124 billion. Various STP journeys include MSME renewal up to ₹1 mn, retail term loan up to ₹5 mn, KCC loan approval & disbursement up to ₹1.60 lakhs in Madhya Pradesh & Karnataka. The bank is in the process of introducing 50+ STPs for enhancing customer as well as employee experience."

AA: CONTROL OVER DATA

Union Bank of India is one of the first public sector banks in India to introduce Account Aggregator (AA) services. Rajiv describes the advantages: "AA helps individuals to share their financial data with third parties in a safe and secure manner and give them greater control over how their data is being used. No financial information of the user is retrieved, shared or transferred without the explicit consent of the user."

S&P Upgrades CBQ Rating to A-

Joseph Abraham, Group CEO at Commercial Bank of Qatar delves into the current developments at CBQ and the banking industry. Abraham talks about the rising volatility in international business, the bank's move towards diversification, consolidation and innovation:

Kanisha Gupta: Given the rising volatility of international business and emerging risks, what is the new balance that the bank is seeking across its domestic and international business?

Joseph Abraham: Domestic business in Qatar remains our main focus and we obtain the majority of our revenues from it. We are monitoring international opportunities; however, our home market remains as our main focus.

Overall, is the bank veering towards diversification or consolidation of business for the next few years?

We are expanding our business across different client segments with new product features. Internationally, we will be focused on continually improving our business performance.

Briefly describe the innovations and business impact of partnering with start-ups that the bank has engaged with?

Engaging with start-ups requires a lot of understanding and the ability to imbibe new technologies and processes, in addition to a guide to manage the contours of innovation. Risks associated require to be amply discussed and clear mitigants are embedded as part of the solution. Given the importance of digital in today's world, its key that this is at the forefront for both banks and start up. Banks provide strong governance and process controls which when combined with innovation and agility, often seen in fintech, can lead to better solutions for clients.

How is the bank handling the talent crunch? What new HR risks is the bank now prepared against?

At Commercial Bank we attract fresh and also experienced talent from across the globe and we are aligned to the national strategies to attract and select national talent who are committed to shape the future of the banking sector in Qatar. We



Joseph Abraham

are committed to investing in training and development to continuously improve our talents' capabilities and also work on other measures of staff engagement including various staff sports and recreational facilities and clubs to build team spirit.

Regulatory and compliance requirements might be impacting multiple applications across the bank. How is the bank working with application vendors to incorporate the new requirements?

Qatar Central Bank has issued new instructions to banks and introduced enhancements to their existing regulations. As an example, the regulator requires the banks in Qatar to ensure their combating financial crimes controls are periodically reviewed and updated to efficiently manage the relevant financial crimes risks including the new trends. Accordingly, at Commercial Bank we have introduced a new set of risk-based approach AML/CFT monitoring scenarios covering the key money laundering typologies in coordination with the application vendor.

What were the factors behind S&P upgrade of the bank's rating from BBB+ to A-?

The main reasons for the ratings upgrade of Commercial Bank by S&P is the improved asset quality and continued strong capitalization and the very consistent uptrend in performance. Commercial Bank has been successful in de-risking its balance sheet and has strengthened its risk management process over the last few years. As a result, stage 2 loans decreased to 16% of the loans at the end of September 2022 from 27% at the end of the year 2018. Commercial Bank has also increased exposure to the government and public sector and decreased its exposure to the real estate sector. Additionally, the bank continues to maintain strong capitalization. CET 1 has increased to 11.3% at end of September 2022 from 9.7% by the end of year 2016.

What were the main outcomes from Commercial Bank's participation in IIF and IMF meetings in Washington DC recently?

Commercial Bank joined global banks at the 2022 Annual Meetings of the International Monetary Fund (IMF), World Bank Group and the Institute of International Finance, which had been held in parallel in Washington DC during October 10-16, 2022.

Our presence at the important annual IMF meeting demonstrates the importance of Qatar's banking sector in international banking. As a bank that has long recognized the importance of responsible and sustainable ways of conducting business, Commercial Bank remains committed to continue its progress to achieve its strategic goals through innovation and technology.

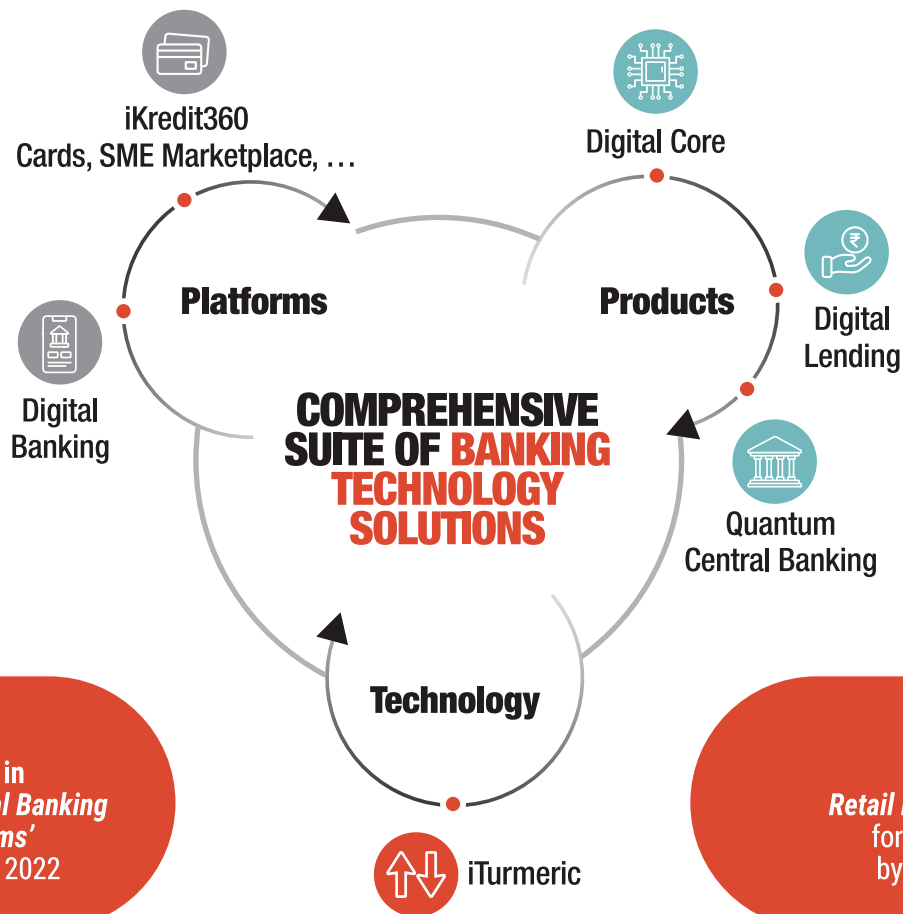
During the 6 days of annual meetings, discussions has been conducted on key issues including inflation and the effect of raising interest rates on the ability of developing nations repaying debts. With this participation, Commercial Bank enhances its leading position as a pioneer in innovation in banking on the local and global level.

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