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IDRBT Explore, Enable, Excel

Banking Technology Excellence Awards 2015-16

THURSDAY, 27 OCTOBER 2016

Twelfth Edition of the IDRBT Banking Technology Excellence Awards

TECHNOLOGY EXCELLENCE THE ORDER OF THE DAY

The Twelfth Edition of the IDRBT Banking Technology Excellence Awards held in Hyderabad recently are synonymous with excellence in technology adoption, upgradation, absorption and innovation. These awards are the benchmark for recognizing banks, which innovate and explore technology to improve cost, reach, customer service and efficiency. Pioneering and out-of-the-box approaches in the usage of technology for improving productivity and profitability are recognized through these awards.

Technology has become the foundation on which the players in the Indian Banking Industry have staked their next wave of growth and invested heavily in the process. In the changing dynamics that the players find themselves, they cannot afford to ignore the technology innovations that are driving banking in the contemporary context.

There are no prizes for guessing that the banks with the most robust systems that manage cost and revenues, customers experiences and enterprise risk management in the present and the future are likely to be the winners. Therefore technology excellence having become the order of the day, this fact has been amply recognised and rewarded in recent times.

The Twelfth Edition of the IDRBT Banking Technology Excellence Awards held in Hyderabad recently are synonymous with excellence in technology adoption, upgradation, absorption and innovation. These awards are the benchmark for recognizing banks, which innovate and explore technology to improve cost, reach, customer service and efficiency. Pioneering and out-of-the-box approaches in the usage of technology for improving productivity and profitability are recognized through these awards.

The Chief Guest for this special occasion was Dr. Raghuram G. Rajan, former Governor, Reserve Bank of India, and Visitor. He was joined by Shri R. Gandhi, Deputy Governor, Reserve Bank of India, and Chairman, IDRBT. Extending a warm welcome to all the distinguished dignitaries, Dr. A.S. Ramasastri, Director, IDRBT, began the proceedings. The highlights of his speech were key achievements of the institute during the last one year. These include the MoUs signed, the research conferences, new academic programmes, new research centres, new research papers and contests.

The opening remarks were given by Shri R. Gandhi, Deputy Governor, RBI and Chairman, IDRBT. He said, "Technology has thrown several gauntlets simultaneously on to the banking and financial sectors in recent times. But banking and finance have lend themselves eminently suitable for continuous application of technology; every new development in technology has been gleefully opted for/by banking and finance."

The Deputy Governor also released the Cyber Security Checklist during the occasion. Cyber security is a major concern across the Indian Banking and Financial Sector. The Chief Information Security Officers and Chief Information Officers of Banks face several challenges in tackling cyber crimes. IDRBT had formed an expert group with members from banks, industry and academia to prepare the Cyber Security Checklist. This checklist will help banks in identifying the gaps, if any, in their cyber security systems and address them, and also help the board level sub-committees on Risk Management and Information Security in monitoring the cyber defence preparedness of the banks.

During the occasion, a book titled "Banking Technology in India: Present Status & Future Trends" was also released. The book shares insights on development in the adoption of technology by banks. It also includes a section by the Knowledge Partner for this year's Banking Technology Awards, Deloitte, on what they see as future trends in Banking Technology. Besides, it contains contributions from the top management of Indian Banks' Association, Indian Institute of Banking and Finance, IT Heads of seven public and private sector banks and a foreign bank.

The book was released by Dr. Rajan, former Governor, RBI. He then presented the IDRBT Banking Technology Awards to the winners.

For List of Award Winners See Page 3

The Distinguished Jury...

- Smt Usha Thorat, Former Deputy Governor, Reserve Bank of India (Chairperson)
- Shri M.V. Tanksale, Former Chief Executive, Indian Banks' Association
- Prof. B.H. Jajoo, Indian Institute of Management, Ahmedabad
- Prof. G. Sivakumar, Indian Institute of Technology, Bombay
- Dr. Santanu Paul, Chief Executive Officer & Managing Director, TalentSprint, Hyderabad
- Shri Rajesh Doshi, Former Senior Executive Director, National Securities Depository.

This year, the awards, were presented in eight categories to the Commercial Banks and one category each to Co-operative Banks and Regional Rural Banks. Since the participating banks vary in terms of size and scale of business and operations, the banks have been classified into three categories – large, mid-size and small, on the basis of the business they have done to make comparisons and recognition more meaningful and pragmatic.

"Payment systems are the plumbing of the financial system"

The Reserve Bank, as the regulator of payment and settlement systems aims to ensure easy accessibility and inter-operability of the payment infrastructure, while ensuring safety and security of transactions. To build confidence and trust in electronic payments some of the RBI measures include mandatory online alerts for card transactions, mandatory PIN entry for every transaction at ATM, etc., said the former RBI Governer Dr. Raghuram Rajan

Delivering the keynote address on 16 July 2016, Dr. Raghuram G. Rajan, former Governor, Reserve Bank of India, and Visitor, IDRBT, said that payment systems are the plumbing of the financial system. The Reserve Bank, as the regulator of payment and settlement systems aims to ensure easy accessibility and inter-operability of the payment infrastructure, while ensuring safety and security of transactions. Non-bank entities are providing innovative payment products and services, forcing banks to reflect upon their strategy – to compete or to collaborate."

He further said that regulations governing payment systems have to be ownership, institution, and technology-neutral to encourage the most efficient outcomes.

First, being more open to experimentation at the early stages of a product or method of service will be cleared in the peer-to-peer lending regulations and the need to be more conscious of the risks to stability as innovations catch on and expand. This phased approach is now being called the sand-box approach elsewhere.

Second, preference would be given to payment platforms that offer broad based access, rather than limited access.

Third, payment mechanisms should be cheap and scalable, so that they are suited to our economy where ticket sizes are small but transaction volumes huge.

Fourth, the need for systems that offer security even to the unsophisticated user, which requires greater emphasis on transaction monitoring and identification of suspicious patterns by the system operators.

Fifth, the need for an effective process of consumer redressal that allows speedy and fair resolution of customer complaints.

The RBI former Governor enumerated on the recent developments in the banking sector and the role of central bank in facilitating the same. He spoke about the remittance facilities through NEFT, RTGS, IMPS, IMT, etc., which can be accessed through multiple channels including net banking, mobile banking, ATMs and BCs. Leveraging on the high mobile density in the country, mobile banking services are being encouraged through interoperable USSD channels like 899# and the UPI.

To build confidence and trust in electronic payments some of the RBI measures include mandatory online alerts for card transactions, mandatory PIN entry for every transaction at ATM, etc. The Bharat Bill Payments System (BBPS) has been put in place to address the needs of the large bill payments market, to provide the convenience of anytime, anywhere, any bill payment facility to the users. The Trade Receivables Discounting System (TReDS) will be a game-changer for meeting the financing needs of the MSME segment.

Dr. Rajan enumerated on the roles and responsibilities of banks, the challenges ahead. Does the bank's vision and strategy take into account payment services aspects? Are there adequate human resources to project requirements and implement them?

Adopting technology is more than automation calling for efforts at re-engineering business processes. There has to be a conscious evaluation of process dependencies taking into account customer experience, security issues, etc., besides having a long term view of the developments of inter-operability within and across systems.

Despite the huge potential, activation rates and usage levels of various electronic payment services remain at low levels, though growth is picking up, the former Governor said.

As for creating appropriate customer awareness, he said it would not only enable the customers to choose their mix of payments taking into account time criticality, security and risk and the cost involved, but also enable the banks to optimize their payment product mix depending upon their customer profiles.

Banks have a high level of responsibility when adopting digital channels – not only to ensure security at the infrastructure level, and to protect data security and personal privacy at system level, but to create customer awareness in security matters, Dr. Rajan added.

"We are in the midst of a payments revolution. There is a tremendous opportunity for us to solve some of the critical problems of the financial system such as financial inclusion. However, opportunity also brings responsibility, and the institutions will rise to the challenge," Dr. Rajan concluded.

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State Bank of India
हर भारतीय का बैंक
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• Strategic Innovation
• Disruptive innovation

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• SBI InCube branches
• Innovation & Quick Wins team in IT

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Banking Technology Excellence Awards 2015-16

THE AWARD WINNING MOMENTS

The State Bank of India bags the Best Bank Award for Digital Banking among Large Banks; Shri D. A. Tambe, Chief General Manager (IT-Operations) receiving the award from former Governor, Dr. Raghuram G. Rajan.

The Karur Vysya Bank Ltd. bags the Best Bank Award for Digital Banking among Small Banks; Shri G. Venkataraman, Managing Director & CEO, receiving the award from former Governor, Dr. Raghuram G. Rajan.

Shri V. G. Mathew, Managing Director & CEO of South Indian Bank Ltd. receives the Best Bank Award for Electronic Payments among Small Banks, from the former Governor.

Dr. Raghuram G. Rajan, former Governor, RBI, presenting the Best Bank Award for Use of Technology for Financial Inclusion among Large Banks to Shri Arun Tiwari, Chairman & Managing Director, Union Bank of India.

A Special Mention for Use of Technology for Financial Inclusion in the small bank category, being awarded to Shri P. Jayarama Bhat, Managing Director & CEO, Karnataka Bank Ltd., from former Governor, Dr. Raghuram G. Rajan.

Dr. Raghuram G. Rajan, former Governor, RBI, presenting the Best Bank Award for Analytics and Big Data among Large Banks to Shri. G. Srinivas, Senior General Manager, Risk Management Group and Shri Vyom Upadhyay, Joint General Manager, BIU and Analytics, ICICI Bank Ltd.

Andhra Bank bags the Best Bank Award for Digital Banking among Mid-Size Banks; Shri Suresh N. Patel, Managing Director & CEO receiving the award from former Governor, Dr. Raghuram G. Rajan.

Vijaya Bank wins the Best Bank Award for Electronic Payments among Mid-Size Banks; Shri. Kishore Kumar Sansi, Managing Director and CEO, receiving the award from the former Governor.

Shri Deepak Mugalikar, Sr. Vice President-IT, HDFC Bank Ltd., receives the Best Bank Award for Use of Technology for Fraud Prevention and NPA Management among Large Banks from Dr. Raghuram G. Rajan.

Andhra Bank bags the Best Bank Award for Managing IT Ecosystem among Mid-Size Banks; Shri Suresh N. Patel, Managing Director & CEO receives the award from the former Governor.

The Karur Vysya Bank Ltd., wins the Best Bank Award for Managing IT Ecosystem among Small Banks; Shri G. Venkataraman, Managing Director & CEO, receiving the award from former Governor Dr. Raghuram G. Rajan.

Shri R. Ravichander, Group President & Regional Director – MD & CEO Office and Shri P. P. Doraiswamy, President of Technology & Solutions Group (TSG), Yes Bank Ltd., receiving the award from the former Governor for Best Bank for Cyber Defence among Mid-Size Banks.

Shri Sanjay Sharma, Chief Information Officer, RBL Bank Ltd., receiving the award from the former Governor for Best Bank Award for Cyber Defence among Small Banks.

State Bank of India wins the Best Bank Award for Innovative Use of Technology among Large Banks. Shri D. A. Tambe, Chief General Manager (IT-Operations) received the award.

The former Governor presenting the Best Bank Award for Innovative Use of Technology among Mid-Size Banks to Shri Santanu Mukherjee, Managing Director, State Bank of Hyderabad.

Shri Mridul Sharma, Head, Technology, IndusInd Bank Ltd., receives the Best Bank Award for Innovative Use of Technology among Small Banks from the former Governor.

The Karad Urban Co-operative Bank Ltd., receives a Special Mention for the Best IT-Enabled Co-operative Bank; Shri Sameer S. Joshi, Vice Chairman receiving the plaque from Dr. Raghuram G. Rajan.

Andhra Pradesh Grameena Vikas Bank wins the Best Bank Award for Best IT-Enabled Regional Rural Bank; Shri V. Narasi Reddy, Chairman, Andhra Pradesh Grameena Vikas Bank receiving the award from the former Governor.

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Banking Technology Excellence Awards 2015-16

BANKING TECHNOLOGY : EXPLORE AND ENABLE

With its activities spanning from research to training, to innovation to publications and forums, IDRBT explores new ideas relevant to banking technology in India and enables banks in India to adopt the same. The Institute is at the intersection of academics and industry.

Can you explain the purpose and significance of IDRBT and the various roles that it plays?

The Reserve Bank of India, the central bank of the country, has been guiding the banks in India in adoption of technology since early eighties and setting up of IDRBT in 1996 was a key step towards promotion of the right banking technology in India.

IDRBT is a unique institution focussing on development and research in banking technology, perhaps one-of-its-kind in the entire world.

Apart from its core function of development and research in banking technology, IDRBT works in various areas – each complementing the other viz. academics, executive education and coordination with banks.

On the academic front, the Institute offers an M. Tech. in Information Technology with specialisation in Banking Technology in collaboration with University of Hyderabad. We also offer Ph.D programmes focussed on Banking Technology in collaboration with reputed Institutes.

As part of executive education programmes, the Institute conducts every year about 80 short duration programmes in the areas of relevance to banks.

The Institute coordinates closely with banks through Chief Information Officers Forum (CIO Forum), Chief Information Security Officers Forum (CISO Forum), and Indian Banks – Center for Analysis of Threats and Risks (IB-CART). We also offer consultancy to banks in the areas of banking technology.

What is the rationale behind the technology excellence awards?

IDRBT introduced the annual technology excellence awards with a view to encourage the banks in adoption of the latest technologies. The awards are synonymous with excellence in technology adoption, upgradation, absorption and innovation. These awards are the benchmark for recognizing banks, which innovate and explore technology to improve cost, reach, customer service and efficiency. Pioneering and out-of-the-box approaches in the usage of technology for improving productivity and profitability are recognized through these awards. The Governor, Reserve Bank of India, presents these Awards.

What is IDRBT's role in the selection process as regards to the selection of winner banks?

Our role is mainly that of facilitation. The selection of winner banks is done by an independent jury of eminent professionals. There is a knowledge partner who collates and analyses the data received from banks and presents it to the Jury.

A small group of officials from IDRBT coordinates the activity – to ensure receipt of relevant data from banks, to make it available to the knowledge partner and to meet the information requirements of the Jury as and when required. We also take adequate care to have evaluation matrices in place to make the process objective.

The 2016 awards were twelfth in the series. How do you see the evolution?

We started with just two categories in 2001 and as I said focus was on implementing basic IT systems. We now have eight categories and cover areas like Technology for Financial Inclusion, Analytics and Big Data, Digital Banking, Electronic Payments, Fraud Prevention and NPA Management, Managing IT Ecosystem, Cyber Defence, and Innovative Use of Technology. Initially, we were not having groups. Now, we group banks into large, medium and small to ensure that similar banks get due recognition. In order to encourage cooperative banks and regional rural banks, we have introduced awards for the Best IT-enabled Cooperative Bank and Best IT-Enabled Regional Rural Bank.

A major development during the past two years is bringing out a publication on status of banking technology and future trends with contributions coming from senior officials from IBA, IIBF and banks. The publication is expected to serve as a reference on banking technology to academicians, regulators, bankers and IT industry.

What are the other significant initiatives by IDRBT in the past one year? Can you elaborate on them?

Our research activities in IDRBT are around research centers. In addition to the existing three centers on cyber security, analytics and mobile computing, the Institute has started two centres on cloud computing and affordable technology. We are now in the process of setting up a center for payment systems.

In order to strengthen our research capabilities, we have recently signed MoUs with National Institute of Technology, Warangal and National Institute of Technology, Trichy, for full-time Ph.D. programmes focusing on Banking Technology. Presently, 19 research scholars are pursuing Ph.D. in the Institute.

We are organizing reputed research conferences. While the Fifth International Conference on Fuzzy and Neural Computing (FANCCO) was organized in December 2015 we are hosting the International Conference on Distributed Computing and Networking (ICDCN) in January 2017.

The Institute has launched a full-time one-year Post Graduate Diploma in Banking Technology (PGDBT), with the first batch commencing from July 2016.

We have launched the IDRBT Staff Paper Series on issues of relevance to the Indian Banking and Financial Sector. While the inaugural issue, published in September 2015, focused attention on Mobile Banking, the second issue published in June 2016 was on Payment Systems. The next issue is on Cloud Computing.

The Institute is also organising national level contests, which help in identifying the best technology ideas so as to benefit the sector. The IDRBT Banking Application Contest, which we started in 2016, will be held every year, to attract innovative applications useful to the banking sector. The RBI-sponsored Payment System Innovation Contest, held on June 24, 2016, was another important step in this direction. On similar lines, the Institute also organises the IDRBT Doctoral Colloquium to discover the best research that can be harnessed for the benefit of Banking.

All these initiatives, we believe, will help the Institute position itself as a dependable research institute in the area of banking technology.

THE WINNERS OF THE IDRBT BANKING TECHNOLOGY EXCELLENCE AWARDS 2015 - 16

Award Category	Winner	Award Received by
Best Bank Award for Use of Technology for Financial Inclusion Among Large Banks	Union Bank of India	Shri Arun Tiwari, Chairman & Managing Director
Best Bank Award for Use of Technology for Financial Inclusion Among Mid-Size Banks	Bank of Maharashtra	Shri Sushil Muhnot, Chairman & Managing Director
Special Mention for Use of Technology for Financial Inclusion Among Small Banks	Karnataka Bank	Shri P. Jayarama Bhat, Managing Director & CEO
Best Bank Award for Analytics and Big Data Among Large Banks	ICICI Bank	Shri. G. Srinivas, Senior General Manager, Risk Management Group and Shri Vyom Upadhyay, Joint General Manager, BIU and Analytics.
Best Bank Award for Digital Banking, Among Large Banks	State Bank of India	Shri D. A. Tambe, Chief General Manager (IT-Operations)
Best Bank Award for Digital Banking among Mid-Size Banks	Andhra Bank	Shri Suresh N. Patel, Managing Director & CEO
Best Bank Award for Digital Banking among Small Banks	The Karur Vysya Bank	Shri G. Venkataraman, Managing Director & CEO
Best Bank Award for Electronic Payments among Large Banks	Bank of India	Shri Ravindra Marathe, Executive Director
Best Bank Award for Electronic Payments among Mid-Size Banks	Vijaya Bank	Shri. Kishore Kumar Sansi, Managing Director and CEO
Best Bank Award for Electronic Payments among Small Banks	South Indian Bank	Shri V. G. Mathew, Managing Director & CEO
Best Bank Award for Use of Technology for Fraud Prevention and NPA Management among Large Banks	HDFC Bank	Shri Deepak Mugalikar, Sr. Vice President-IT
Best Bank Award for Managing IT Ecosystem among Large Banks	Bank of India	Shri Ravindra Marathe, Executive Director
Best Bank Award for Managing IT Ecosystem among Mid-Size Banks	Andhra Bank	Shri Suresh N. Patel, Managing Director & CEO
Best Bank Award for Managing IT Ecosystem among Small Banks	The Karur Vysya Bank	Shri G. Venkataraman, Managing Director & CEO
Best Bank Award for Cyber Defence among Large Banks	ICICI Bank	Shri G. Srinivas, Senior General Manager, Risk Management Group and Shri Subhash Subramaniam, Joint General Manager, Information Securities Group
Best Bank Award for Cyber Defence among Mid-Size Banks	Yes Bank	Shri R. Ravichander, Group President & Regional Director – MD & CEO Office and Shri P. P. Doraiswamy, President of Technology & Solutions Group (TSG)
Best Bank Award for Cyber Defence among Small Banks	RBL Bank	Shri Sanjay Sharma, Chief Information Officer
Best Bank Award for Innovative Use of Technology among Large Banks	State Bank of India	Shri D. A. Tambe, Chief General Manager (IT-Operations)
Best Bank Award for Innovative Use of Technology among Mid-Size Banks	State Bank of Hyderabad	Shri Santanu Mukherjee, Managing Director
Best Bank Award for Innovative Use of Technology among Small Banks	IndusInd Bank	Shri Mridul Sharma, Head, Technology
Best Bank Award for Best IT-Enabled Regional Rural Bank	Andhra Pradesh Grameena Vikas Bank	Shri V. Narasi Reddy, Chairman, Andhra Pradesh Grameena Vikas Bank
Special Mention for IT-Enabled Co-operative Bank	The Karad Urban Co-operative Bank	Shri Sameer S. Joshi, Vice Chairman

Evolving use of technology in banking

One of the important characteristics of the IT world is that it is ever changing and dynamic. New technologies are fast developing. Cloud based computing, block chain processing technologies and virtualization of IT systems are a few examples which hold potential for being used in a big way.

Technology has been the one thing that has changed the face and the inner core of banking and continues to do so. Every new development in technology has been gleefully opted for by banking and finance and they lend themselves eminently suitable for such continuous application of technology. The key differentiating drivers for such an extraordinary use has been the ever increasing volume of transactions and ever changing customer expectations. There is without doubt a need to increase efficiency and quality, and reduce cost as it is in every other vocation.

The Role of RBI

The Reserve Bank has been very aware of the potentialities of technology for gainful use within the banking system. It has carefully crafted an acceptable foundation and path for its adoption and increasing use of technology, thanks to the Rangarajan Committee 1 and Rangarajan Committee 2 in 1980s, Saraf and Barman Working Groups in 1990s and 2000s, besides establishing the IDRBT in 1996.

Recently, the Reserve Bank has established a new institution, the Reserve Bank Information Technology (ReBIT), as its wholly owned subsidiary, for increasing, advanced level focus on cyber security and for building cutting edge capabilities for supervising financial technology usage in the banking sector. Reserve Bank has also now constituted a Working Group on Financial Technology, to fully understand the new paradigm of Fin-Tech and to chart out the best way of using it.

The Challenges

Technology has thrown several gauntlets simultaneously on to the banking and financial sectors in recent times. Some of them are:

Cyber Security

Banks deal with hard cash and money and therefore have always been targets of crime. While the banks make good use of IT for protecting cash and money, ironically use of IT by criminals have also increased substantially. Today, IT systems of banks are the prime target for cyber crimes and if one were to judge by the volume and value of incidents, the menace is steadily growing. It is of great concern –some of the recent incidents at Bangladesh Bank and several persistent instances in many banks are just the proverbial tip of the iceberg.

If we need to provide safe and secure banking, then providing for safe IT systems is an undeniable requirement. It is essential that in every IT based initiative, security is addressed as a vital component. Banks need to bestow greater attention on Cyber security. The role of the Chief Information Security Officer (CISO) assumes great significance.

Technology Dynamics

One of the important characteristics of the IT world is that it is ever changing and dynamic. New technologies are fast developing. Cloud based computing, block chain processing technologies and virtualization of IT systems are a few examples which hold potential for being used in a big way. The fruits of these would be in the form of safe, trackable and secure digital currency, distributed ledger-keeping and homogenous IT systems – all of which would ultimately result in better customer service.

Emergence of Fin-Tech Players

Fin-Tech companies have become the new, non-conforming disruptors. For too long, banks thought their competitors are their fellow bankers; then they accepted the other financial institutions as their competitors. They always thought the technology companies are their enablers; with their help, the banks have been differentiating themselves from the rest of the crowd. The banks never thought the technology companies will be their direct competitors. Banking knowledge is no longer with the bankers and it is with the techies. The techies have now grown as Fin-Tech companies and are emerging as the direct competitors in the identified chunks of banking businesses.

Payment Revolution

One of the major beneficiaries of the large scale use of IT in the banking industry is payment systems. India can now boast of having perhaps the world's best and state-of-the-art payment and settlement systems; and it is handling ever increasing volumes. While it is satisfying to note that there are new initiatives in payment systems aimed at providing better customer comfort, it is also essential to ensure that these systems are safe and result in overall efficiencies including reduced costs to the common man. How to take full advantage the payment revolution is a challenge.

Financial Inclusion

Today there are varied choices of technology for financial inclusion. Financial Inclusion is an achievable reality, and the role of IT in this initiative is very significant and fundamental. But more needs to be done here. The need is to integrate account opening and KYC related requirements with other systems such as AADHAR, allow use of funds without actual movement of cash, and ensure that the common persons have access to banking and financial services at their door steps. Varied technical solutions have the potential to achieve this and at reduced costs. Finding the right mix and adapting them for achieving the financial inclusion in the shortest possible time is a big challenge.

(Excerpts from this speech of R. Gandhi
Dy. Governor and Chairman, IDRBT)

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THIS SPECIAL FEATURE IS CONCEPTUALISED AND EXECUTED BY

E-mail: jayesh@theresource24x7.com | Contact: 98923 25250

KVB 100 YEARS OF SMART BANKING

Smart banking gets smarter.

With new generation products and services

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Transact from your mobile - anytime, anywhere.

Net Banking
Transact on the go safely and securely.

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Carry out online inter bank transfer of money.

IMPS
Immediate Payment Service – Instant 24X7 inter bank funds transfer through mobile and net banking.

KVB e-Book
Mobile App for transaction inquiries.

Missed Call Facility
Get Balance and Passbook updates by giving a missed call.

Cash Deposit Machines
Deposit cash even after banking hours for instant credit to your account.

ATMs
Withdraw money anytime.

BNA cards
Enables your representatives to remit cash directly into your account through Cash Deposit Machines.

NACH
National Automated Clearing House – Originate electronic debits and credits in your account on a preset frequency.

Prepaid Cards
Load the card with money and use for making any payment.

Multicurrency Travel Cards
A single card loaded with eight currencies.

Co-branded Credit Card

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State Bank of India

Banker to Digital India

SBI won two awards among large banks- for Digital Banking and for Innovative Use of Technology at IDRBT Banking Awards recently. Your views?

Innovation is intrinsic to SBI always. Early adoption of innovations especially in technology gives us leadership in positioning our products and services portfolio ahead of the curve. Our innovations in Technology leveraged Banking has attracted GenY and Millennials to bank with us. We believe in Quick Fail Quick Safe philosophy for attempting innovations.

Our Digital Banking initiative is designed to be ahead of time in Indian landscape. It is benchmarked against Global Standards and showcases our technology prowess in digitizing the entire process of customer engagement right from account opening to instantly issuing personalized Debit Card and instant activation of Internet Banking, with no or little manual intervention. Remote Expert Manager, which is a HD video chat facility, is a great convenience to the customers of our Digital Branches.

Every day, we are innovating on technology, in ways small and big. This award is a recognition of this untiring efforts of SBI Team

What are the standards that SBI has set in Digital Banking; and the progress till date?

Our intent is to make the customer experience and journey pleasant and best in class, irrespective of branch or technology channel. We have put the transformation of our technologies and processes on fast track. We have progressed into an agile organisation which keeps pace with what is expected from a Global Digital Bank serving the new generation on a discipline of strong project management.

We understand the aspirations of the new generation clientele, and are today offering both transactional and advisory products and services. Our 2.25 Lakhs+ strong workforce is our biggest asset in this journey and they are adapting to the change very fast. Inclusive technology which caters to our diverse clients, young and old, urban and rural, wealthy and life starters is at the core of our digital architecture.

How is SBI using technology in innovative ways to further its goals?

We are collaborating actively with the start-ups (Fin-Tech) as they bring technological innovations to solve specific issues in the BFSI space in general with special focus on banking. At times, their innovation could be at a nascent stage when we look at it, but our range and size coupled with their innovative ideas could change the way we serve the customers through smart use of technology. We are also engaged in collaborative innovation with OEMs and large vendors to use their Intellectual Properties in cutting edge technologies to banking use cases, though some of which could be futuristic at this juncture. Our adoption of such technologies could give us an advantage over other global and domestic banks. We are also using crowdsourcing and hackathons to stay innovative and aligned with new technologies.

MRUTYUNJAY MAHAPATRA
CHIEF INFORMATION OFFICER
STATE BANK OF INDIA

What is the way forward for large banks like SBI in the Digital Banking space?

Banking industry is witnessing overlaps and competition, not just from banks but from Telecom players, eTailers, eWallets, Payment Banks, and P2P lenders. Incumbent banks with huge legacy of processes and technologies are challenged by the green field, technology driven competitors with lean and techie workforce. We have taken this challenge head on; in fact we are liking it, many times collaborating with competition and new entrants.

Our tagline "Banker to Every Indian" is buttressed by our digital tagline "Banker to Digital India". Right from liability products to retail corporate loans, financial inclusion, government banking, treasury, payment systems, wholesale banking, etc., we are at a very advanced stage of digitalising. We are deeply involved in giving digital touch to every domain of banking, from the bottom to the top of the pyramid. IDRBT awards are testimony of our thrust on innovations towards a digital bank.

There is no large or small bank concept now when it comes to measuring loyalty index of new gen customers. New generation believes in assorted banking – deposit in "secure" bank, eWallet in another and loan from P2P i.e. they bank / transact with those financial institutions who serve them better, at a low cost and give other facilities. Only the best in class technologies complemented by customer friendly processes (at branch and online) will retain their loyalty. Banks, especially large banks like SBI will have to adapt to the change to remain relevant in this digitally charged economy.

How will the Digital Banking space will play out in the next five years?

We need to think of medium (2 years) and long range (next 3-5 years) strategies as technological obsolescence is fast. eKYC based validations, Cashless and Cardless transactions, host card emulation (HCE), contactless payment, API banking and open APIs, gamification in banking, biometric in ATMs and Mobile Banking seem to be achievable in the next two years. Some of the quick wins in Blockchain, Bots and Augmented and Virtual Reality are also likely in this time frame. Cloud driven and social media based platforms are likely to rule the new landscape. Digital banking shall also be anchored around data and analytics bespoke offerings.

Long range strategies for digital banking will be dominated by disruptive technologies like block chain, Robotic Process Automation, Artificial Intelligence and Natural Language Processing, virtual assistants, cross industry cognitive collaboration, social networking behavioral analytics for banking, absolutely real-time analytics, life styled and life stage differential banking, leverage Internet of Things and Augmented Reality based products and services. Some of these technologies will succeed, and some will be sidelined. However, experimentation in technologies and products is likely to be the dominant theme.

We have already started adoption of very high-end technologies to position our Bank as a "Financial Superstore Digital Bank and Online Marketplace". We are also completely transforming our Customer Relationship Management (CRM) for all customer segments. We will be leveraging very advanced technologies and techniques for the above initiatives.

The Core Banking System will perhaps only remain a system of records. We are also of the view that the Bimodal will exist for some time to come i.e. traditional CBS & branch banking will co-exist alongside the high-tech banking, so also modern technology with legacy one. Digital banking success will also depend on leveraging productivity, operations, risk management and HR capability.

Karur Vysya Bank

LEVERAGING TECHNOLOGY FOR BUSINESS GROWTH

The bank leveraged IT to ensure customer convenience, expand reach, lower costs, increase productivity and improve market share. In line with the vision of RBI for a 'less cash' society and in view of the obvious benefits accruing to the customer and the nation owing to the use of card and other e-solutions to make and receive payments, KVB has been actively promoting all e-solutions including use of debit cards and point-of-sale terminals to make payments among our customers.

Karur Vysya Bank is one of the earliest banks in the country to achieve full networking of its branches under core banking solutions as early as in 2005. Karur Vysya Bank carries with it a tradition of 100 years and yet is young enough to adapt itself to the rapidly changing scenario in the banking industry. KVB is one of the earliest banks in the country to achieve full networking of its branches under Core Banking Solutions, offering services through alternate delivery channels including branck banking, internet banking, mobile banking, cards, e-Kiosks, point of sale machines and transction banking services.

The bank has always been a front runner in adopting and leveraging technology. The bank was one of the pioneers in deploying ATMs, cash deposit machines, cash recyclers and fully automated passbook printers as a move towards self- service banking. KVB also set a blazing trail in implementing internet banking and mobile banking to its customers.

KVB has been winning awards and accolades from IDRBT continuously in the last 7 years since 2009, which stresses the fact that the bank is adept in leveraging technology in the banking system in the country today and delivering the best experience on alternate and digital channels too.

Strong Card Users Base

KVB has over 6.25 million Visa, Master Card, Master EMV, RuPay Debit and RuPay Kisan Card holders. The bank provides access to over 1690 KVB ATMs, over 2 lakh domestic ATMs and over 1 million VISA/Master card ATMs worldwide. New offerings include card to card/account funds transfer at KVB ATMs, RuPay enabled KVB Centenary Prepaid Cards, Visa enabled reloadable Multicurrency Travel Cards in 8 currencies and Anmol rewards for use of KVB debit card for POS and e-POS transactions.

KVB has recently issued 10150 RFID cards to corporates, institutions and educational institutions. It also launched KVB mPAY in 2011, a mobile application that allows customers to access their bank account(s) using a mobile phone. It facilitates financial as well as non- financial transactions.

Technology Initiatives

As part of its technology initiatives, KVB introduced E-Book in December 2014, a mobile app facilitating access to many of the non-financial banking services through smart phones. Currently, it has over 2 lakhs users.

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K VENKATARAMAN
MD & CEO
KARUR VYSYA BANK

KVB has deployed 366 Cash Recyclers till date for cash processing. In re-cyclers, both cash deposit and withdrawal can be made in the same machines and the cash deposited by the customers can be re-cycled for withdrawals.

Through technology, KVB has been contributing its mite to save the ecosystem by contributing solutions to minimize the use of paper. The bank has introduced KVB Green PoS, a GPRS-handheld easy-to-use, paper-free and sleek point-of-sale terminal without printer in which both payment confirmation as well as transaction status are enabled through e-receipts and SMS alerts. The bank won 'Best Innovative End-to-End POS Technology Solution - KVB Green POS' in Kamikaze B2B Awards and Customer Fest 2016. Besides, Mastercard has also given an award to KVB for the green initiative.

There has been extensive use of the bank's state-of-the-art in-house multipoint video conferencing thereby saving costs and valuable management time, while improving organizational efficiency.

Initiatives Planned

The key technology initiatives being planned / implemented include New Mobile Banking Solution, Unified Payment Interface – Second set of Pilot, Electronic Toll Collection – NPCI Project – On Pilot, Bharat Bill Payment System – NPCI Project – On Pilot, Tablet Based Account Opening, Social Media based payments, ISO 27001 for IT and Centralised Log Management and Advanced Security Operations Centre.

Funds transfer through smartphones now a reality

India is the world's fastest growing smartphone market. By making digital payments available in full-fledged capacity on smartphones, the penetration of services will go up manifold as mobile users increase.

UPI, the new payments system could bring banking and financial services to its entire population. UPI is designed to make person-to-person and e-commerce transactions swifter and easier.

In the very near future, it will become easier for people to transfer funds between bank accounts through their smartphones. Leveraging the high mobile density, mobile banking services are being encouraged through inter-operable USSD channel like *99# and the Unified Payments Interface (UPI).

For decades, the country of more than 1.3 billion people has struggled to bring hundreds of millions of its citizens to a bank. The penetration of bank accounts, and by extension, debit cards and credit cards remain low in the country. But UPI, the new payments system could bring banking and financial services to its entire population. UPI is designed to make person-to-person and e-commerce transactions swifter and easier - as easier and as faster as sending a text message. India is the world's fastest growing smartphone market. By making digital payments available in full-fledged capacity on smartphones, the penetration of services will go up manifold as mobile users increase.

RBI has also made a case for tax benefits to merchants for promoting digital transactions. Transfers from bank account to bank account will become easier in a few weeks via smartphone through the Unified Payment Interface. A villager needing to pay a shopkeeper only needs to know the latter's alias for example – say Ram@xyzbank. Psp to transfer funds. Neither needs to visit the bank to take out or deposit money, no point of sale machine is needed. With the price of smartphones falling sharply, the last mile problem is on the verge of getting solved.

Currently as per RBI, despite the huge potential, activation rates and usage levels of electronic payment services remain at low levels though growth is picking up. No doubt, the fear of taxation as payments move from cash to electronic plays a part in dampening activity. As information technology brings down the possible space to avoid or evade tax, and as the benefits increase, merchants will push more for electronic payments. Some tax benefits to those merchants who show increases in digital transactions, and perhaps innovative ways to encourage customer participation, may be beneficial in this regard.

The mobile payment systems should offer security of transactions even to the unsophisticated user and should not place a huge burden of care on them. Otherwise there is no point creating security for the ideal customer, instead the system should incorporate the possibility of mistakes by the actual customer that we have. The payment mechanism should be cheap and scalable so that they are suited to the economy where ticket sizes are small but transaction volumes huge. An additional desirable element would be for the different payment systems to be inter¬operable – or at least be able "to talk to each other".

An effective process of consumer redressal that allows speedy and fair resolution of customer complaints is also needed. So long as customers adhere to a reasonable level of care, residual risks should be absorbed by the operator. Mobile Banking is a game changer for the Indian Banking Sector and more particularly in the context of Financial Inclusion. Providing banking services by ensuring safety, security, reliability and interoperability, on both low-end and high-end mobile phones, through various mobile communication channels is a challenge as well as an opportunity for Banks. Developing Apps and testing them is another big challenge since mobile phones have varying degrees of embedded features.