

INDIAN BANKS' ASSOCIATION

BANKING TECHNOLOGY AWARDS 2015

COMMERCIAL FEATURE

All about innovation.....

The Awards Reward Banks for Effectively Leveraging Technology



The IBA Banking Technology Awards have over the years, acted as catalysts by recognizing and rewarding the efforts of banks aiming to make better use of technology, accelerate levels of technology absorption and improve levels of customer service and satisfaction. T M Bhasin, Chairman, IBA and CMD, Indian Bank Speaks on the various aspects of the awards



>> The winners of IBA Banking Technology Awards 2015

What are the aims of IBA behind the Banking Technology Awards?
The IBA Banking Technology Awards has been instituted to recognize and reward banks and bankers who were forerunners and trend setters in banking technology – whose innovative ideas, initiative, risk-taking ability, leadership qualities and implementation of large-scale initiatives enabled their organizations to forge ahead of their competitors.

How has the relevance of these

awards grown over time?
The awards act as catalysts by recognizing and rewarding the efforts of banks aiming to make better use of technology, accelerating the levels of technology absorption and improve levels of customer service and satisfaction. Year on year, these landmark awards have come to symbolize excellence in banking technology and outstanding achievements demonstrated by banks. These awards drive relevance by changing awards categories annually to reflect relevant themes in technology and also looking at innovative

ways to assess banks that effectively differentiate leaders in technology on an annual basis.

In your own words, how important is technology in banking, in the present day context and going forward? In other words how is technology driving banking?
Technology is transforming banking across the globe. Digital channels have given banks the hitherto unimaginable ability to



connect effectively with their clients. Data warehouses and business process management platforms provide banks with analytics to enable them to respond in real time to events. Moreover, the cloud has changed the way banks think about their consumption of services and infrastructure. In India, Technology has had even a greater role to play. If it was not for technology, it would have been impossible for Indian Banks to handle the exponen-

tially expanding volumes. Also, only through technology, services can be provided to the under-banked in a cost-effective manner. Innovation in the area of Payment Systems has been a big game changer over the last decade. Another area of great improvement, largely based on technology, is the Turn Around Time (TAT) of banking transactions. The Indian Banks' Association's Banking Technology Awards aim to reward banks for effectively leveraging technology to meet their business goals.

corebanking systems that Indian banks have in place are clearly the leading and latest technology when compared to their global counterparts. The initiatives Indian banks have taken on mobility, social media and financial inclusion place them on par with the best in global banking technology.

What more needs to be done in this regards, in order to address the challenges?

> Continued on page 3

The Tectonic Shift

Technology is changing the way we bank... for the better

Our lives are globally connected today. The impact of any major development is felt all over the world, making it virtually impossible for anyone to remain isolated from the events around them. India is one of the most promising markets in the world of technology and it is only expected that technology will bring in a tectonic shift in the way we bank.

The emergence of technology in banking can be traced back to the early days of liberalisation. This was when banks started using technology to handle bookkeeping, balancing and transaction processing.

However, the all pervasive face of information technology soon enabled banks to provide better quality of services at greater speeds.

Banks today leverage technology to be present where the customer is and to help them transact at their convenience.



RAJIV ANAND
(Group Executive & Head of Retail Banking, Axis Bank)

the initiative has received a fillip with the government prioritising the segment with the Pradhan Mantri Jan Dhan Yojana. Axis Bank was the first bank to perform an Aadhar Enabled Payment System transaction as well as facilitate Aadhar seeding and finger detection through Micro-ATMs.

The emerging trends across the world, including India, clearly reveal that the future of banking is digital and undoubtedly mobile banking would redefine the transaction banking paradigm.

Changing dynamics
Cash and cheque transactions, which accounted for 94% of all transactions in 2003, are predicted to fall to close to 13% by the end of this decade.

At Axis Bank, we have been riding on this shift in consumer preferences which is testified by the fact that less than 20% of financial transactions are currently executed through the branches. The telecom industry's dynamics will further boost this

shift towards digital.



Smart move
Analysts expect the smartphone market to exhibit a 4x growth



Closer home

Banking has progressed from the time where customers had to go to the nearest branch to withdraw cash. Now round-the-clock access to banking is available through ATMs, Internet Banking and Mobile applications.

Technology-enabled CRM systems and big data frameworks also enable banks to serve customers better while targeting appropriate products and services.



Rural push
Banks are also reaching out to the hitherto unbanked population and

over the next five years along with a 7x growth in customers using mobile banking.

We can estimate the upside potential merely from the fact that India has less than 40 million mobile banking users while each of the top three Chinese banks have in excess of 100 million mobile banking users.

Critical to this transformation is the ability of banks to assuage the security concerns of the customers.

We have put in place adaptive authentication in addition to a two factor authentication mechanism to mitigate the occurrence of frauds. Our Internet banking is powered with a 128 bit SSL encryption while installation of the mobile app has been restricted to registered mobile numbers of customers.

Connection is key



We have started providing Wi-Fi facilities at a large number of our branches to enable customers to download the mobile applications and use it for future transactions.

The setting up of self service digital

branches will provide a completely unparalleled customer experience while providing all functions of a traditional bank branch.

Social media



At the same time, social media has enabled banks to engage in a much better way with their customers and move beyond vanilla banking.

Axis Bank is amongst the most prominent financial brands in the world and has over a 3 million community on Facebook, 4.3 million views on YouTube, over 75,000 followers on LinkedIn and 70,000 followers on Twitter.

Our levels of engagement are further enhanced by allowing customers to know about the Bank's various services in their vicinity, through their mobile.

These are interesting times and we expect that the technology advancements in digital banking will be used as a springboard and the banks that deliver its best will have the ability to dramatically alter their market position over the next couple of years.



Technology - Focus Areas

AMIT SETHI
(CIO, Axis Bank)

Our technology strategy has five main focus areas:

- It aims to provide **Value-based Customer Relationship** to both corporate and retail customers. Our **Branch in a Mobile** initiative is targeted at delighting customers with access to all necessary products on mobile enabled by seamless multi-channel integration. The Bank will perform collaborative innovation across the organisation. The new products and offerings for the customers will have **Mobile first** focus.
- We have built a flexible, responsive and lean IT architecture that enables us to quickly respond to changes and market needs. A seamless service based architecture gives the Bank the power of a **Mash-Up** where all the good features of various services can be unplugged, bundled, re-bundled, inter-connected and offered to customers to deliver innovative banking solutions.
- We see analytics as an empowerment to track and forecast market dynamics and as an enabler in identifying customer needs. Our analytics driven solutions aim to improve decision support, enable strategy formulation, mitigate risk and drive personalisation. The Bank has created robust data infrastructure and analytical support tools that enable us to provide personalized products and services. Rich data helps the bank to perform predictive analysis and visualize the next best action to serve the customer better.
- We have developed a **Connected Payment Ecosystem** – it is the first bank in the country to do so. Our systems cover all payment touch points that are in turn connected with interface providers and regulatory payment systems.
- We aim to increasingly use **Cloud Computing** to improve time to market for new services and save on initial capital investment. Cloud computing helps to create optimal infrastructure and provides ability to deliver near real time services to customers.

We aim to provide customers with a seamless banking experience in this ever-evolving world.

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COMMERCIAL FEATURE



>>Mrs. Arundhati Bhattacharya, Chairman - State Bank of India receiving 'Technology Bank of the year (Public Sector)' Award



>>Mr. N. Jambunathan, Dy. MD & CIO - State Bank of India receiving 'Enhance Customer Experience' Award



>>Mr. Ranjan Dhawan, Executive Director - Bank of Baroda receiving 'Training & Human Resources, E-learning Initiatives' Award



>>Team HDFC Bank receiving 'Best Use of Data' Award



>>Mr. V.S. Krishnakumar, MD and CEO - Canara Bank receiving 'Best Financial Inclusion Initiative' Award



>>Mr. Puneet Kapoor, Manish Agarwal and GPJ Gupta - Kotak Mahindra Bank receiving 'Best Use of Digital Channels & Technology' Award

THE AWARD WINNING BANKS				
Sr.No	Category	Winner	1st Runner up	2nd Runner up
PUBLIC SECTOR BANKS				
2	Technology Bank of the year	State Bank of India	Union Bank of India Canara Bank	
3	Best Use of Data	State Bank of India	Bank of Baroda	Indian Overseas Bank
4	Enhance Customer Experience	Jointly to Union Bank of India & State Bank of India	—	—
5	Best Risk Management Initiative	Punjab National Bank	—	—
6	Training & Human Resources, E-learning Initiatives	State Bank of India	Bank of Baroda	Punjab National Bank
7	Best Financial Inclusion Initiative	Bank of Baroda	Canara Bank	Bank of India
8	Best Use of Digital and Channels Technology	State Bank of India	Canara Bank	—
9	Best Payment Initiatives	Union Bank of India	State Bank of India	Canara Bank
PRIVATE SECTOR BANKS				
11	Technology Bank of the year	ICICI Bank	Jointly to Axis & Citi	—
12	Best Use of data	ICICI Bank	Jointly to Citi & HDFC	—
13	Enhance Customer Experience	Citibank	ICICI Bank	Yes Bank
14	Best Risk Management Initiative	ICICI Bank	—	—
15	Training & Human Resources, E-learning Initiatives	ICICI Bank	Yes Bank	HDFC Bank
16	Best Financial Inclusion	ICICI Bank	Jointly to Yes bank & HDFC	—
17	Best Use of Digital & Channels Technology	ICICI Bank Ltd.	Citibank	Kotak Mahindra Bank
18	Best Payment Initiatives	Axis Bank	Citibank	IndusInd Bank
CO-OPERATIVE BANKS (OVERALL AWARD)				
1	Technology Bank of the year	Jointly to Shamrao Vitthal & Abhyudaya Co-operative Bank Ltd.	—	—



>>Mrs. Chanda Kochar MD & CEO - ICICI Bank receiving 'Technology Bank of the Year (Private Sector)' Award



>>Mr. Anup Purohit and Mr. Rajendra Mhalsekar - YES Bank receiving 'Training & Human Resources, E-learning Initiatives' Award



>>Mr. Vikram Subrahmanyam - Citibank receiving 'Enhance Customer Experience' Award



>>Mr. Subrahmanyam and Mr. Rakesh Sethi - Union Bank of India receiving 'Enhance Customer Experience' Award



>>Mr. Gauri Shankar, Executive Director - Punjab National Bank receiving 'Best Risk Management Initiative' Award



>>Mr. Amit Sethi and Mr. Avinash Raghavendra - Axis Bank receiving 'Best Payment Initiatives' Award



>>Mr. Kamlesh Sevak and Mr. Deepak Bhayana - Bank of India receiving 'Best Financial Inclusion Initiative' Award



>>Mr. A. Diwakar Rao and V. Kandasamy - Indian Overseas Bank receiving 'Best Use of Data' Award



>>Mr. Madhavan Kandadai - IndusInd Bank receiving 'Best Payment Initiatives' Award



>> Mrs. Subbalakshmi Shirali and Mr. Sanjay Patil - Shamrao Vitthal Co-operative Bank receiving 'Technology Bank of the year' (Co-operative Banks) Award

Technology - the path to New Age Banking

THE CAPTAINS OF THE BANKING INDUSTRY ECHOED THE ROLE OF TECHNOLOGY IN THE OVERALL DEVELOPMENT AND A LOOKING AT LARGE INVESTMENTS TO UPGRADE THEIR TECHNOLOGIES TO BE AT PAR WITH THE STANDARDS OF THE BANKING SECTOR GLOBALLY.

Technology is the name of the game today and while there is no denying the fact that banks cannot do without a robust technology platform, most have it too, in the contemporary context, service innovation has become a key differentiator. A bank that takes care of its customers' expectations, provides with innovative and value added offerings through technology, is the one likely to lead the race. The recently held Indian Banks Association (IBA) Banking Technology Conference and the 10th IBA Banking Technology Awards recognizes innovation in banking technology and how its applications to various uses are helping banks to perform better. The conference brought providers of technology and users, the bank on a single platform to debate and discuss the varied aspects of these critical issues.

Welcoming the keynote speaker Prof. Siva Kumar of IIT, Mumbai, other dignitaries and delegates to the first annual event of the calendar year, M. V. Tanksale, Chief Executive, IBA informed that IBA had re-introduced the format of a full day technology conference for this event after a gap of two years.

"The Banking Technology Awards function which follows the conference aims to recognise innovation in banking Technology and bring in both bankers and well-known technology solution providers together which eventually benefits both," Tansale observed. A few years back, the techno-savvy bank enjoyed a competitive advantage. Now, the field has changed, the game has changed, and the game is only that of innovation. It is only through innovation that you can differentiate. Today's banking is more of managing customer's expectation through technology," he added.

The full day conference touched on various aspects of use of technology to banking. It consisted of panel discussions on digital banking and the evolving role of social media in banking, data analytics, challenges posed by frauds of various types, role of technology in transaction banking, risk management and cyber security and finally the high powered CEO Panel to provide an insight into the minds of leaders while adopting and improving technology in their banks.

Speaking at the event, Prof Siva Kumar focused on the exciting opportunity which National Payment Corporation of India



>> Release of Ernst and Young Report

(NPCI) and Unique Identification of India (UIDAI) offered for India as a whole." The focus of his keynote was to explain two key ideas which perhaps will allow all to achieve something in the near future. He dwelt upon the Internet, the most successful example of technology-- how and why it grew and why it is a nightmare?

"In the information age where we are today we have to look at what technology can do. Technology is never created in a vacuum - it is socially relevant most of the time. Like everyone it too has parents, a mother and a father. The mother of technology or innovation or invention is NECESSITY and father is PROFIT. Under these two motives we have to see which one we are pursuing in the Indian context," he said.

Following the keynote address were the various panel discussions chaired by experts in the field and the participants included domain experts from the banking industry.

THE IBA AWARDS

The Awards Function began with a high power panel discussion on 'Maximising ROE on Investments in Technology,' one of the most awaited event of the day. The panelists were: Arundhati Bhattacharya, Chairman, State Bank of India; Chanda Kochhar, MD & CEO, ICICI Bank; Arun Tiwari, CMD, Union Bank of India; Shikha Sharma, MD & CEO, Axis Bank; Pramit Jhaveri, CEO-India, Citibank; and Abizer Diwanji, National Head, Financial Services, E&Y-India. The discussion tried and analysed from a CEO's perspective, a more wholesome and an overall impact that technology has brought to banking and what is the next big challenge or the next big opportunity that technology represents to the banking sector.

The Awards ceremony started with a welcome address by T M Bhasin, Chairman, IBA and CMD, Indian Bank. Opening his address, Dr Bhasin welcomed Padma Vibhushan, Dr Raghunath Mashelkar, Jury Chairman and the Chief Guest Anil Kakodkar, DAE Homi Bhabha Chair Professor and Former Chairman, Atomic Energy Commission of India. Dwelling on the history of the IBA awards, he said the IBA Banking Technology Awards were instituted by the IBA in 2005 to identify and reward banks and bankers who were forerunners and trend setters in banking technology – whose innovative ideas,

and delivered sustained business value.”

Bhasin thanked all the winning banks as well as the participating banks that had nominated themselves for the IBA Banking Technology Awards. He hoped that the awards would continue to set the bar for innovation in technology for the years to come.

This year's awards centered on innovation as a theme and the focus was on projects that were novel, made a definite impact and delivered sustained business value. The IBA Technology Awards coverage has remained comprehensive and their broad areas of analysis includes Information pertaining to the IT strategy

In the public sector we are going to have huge number of retirements. With retirements, the expertise goes away. So I will have to build this expertise into the systems so that the people who are coming in can utilise those experiences and they won't make mistakes.

— ARUNDHATI BHATTACHARYA, CHAIRPERSON, STATE BANK OF INDIA

initiative, risk-taking ability, leadership qualities and implementation of large-scale initiatives enabled their organizations to forge ahead of their competitors. He said, "The awards acted as catalysts by recognizing and rewarding the efforts of banks aiming to make better use of technology, accelerate levels of technology absorption and improve levels of customer service and satisfaction. Year on year, these landmark awards have come to symbolize excellence in banking technology and outstanding achievements demonstrated by banks. This year's awards centered on innovation as a theme and the focus was on projects that were novel, made a definite impact

of a bank and its development.

Over the years, the categories and number of awards have changed in keeping with evolving trends and initiatives taken by banks. The process for formulation of the current edition of the Banking Technology Awards 2013–14 was initiated in November 2014 under the guidance of an eminent jury comprising of Dr Ramesh Mashelkar, Chairman, National Innovation Foundation – Chair; Mr T V Mohandas Pai, Chairman, Manipal Global Education; Dr R B Barman, Former ED, RBI and Prof G Sivakumar, IIT, Mumbai.

A win-win for banks and customers

Like in the case of all developing economies, India's banking sector too has taken up the challenges of the dual responsibilities of economic growth and social development. To do that, the sector has adopted information technology as the critical resource. In the

the key role in bringing convenience to customers, efficiency to operations, and security to electronic banking.

The areas of focus for banks are financial inclusion, social media and mobile banking, electronic payment systems, analytics and last but not least, cyber se-

curity. Customer expectations across different age groups, geographies and backgrounds have to be met with new innovative products and services with the help of appropriate technology. Only then does the technology prove to be a win-win for both the banks and the customers.



**DR. A. S.
RAMASASTRI,
DIRECTOR, IDRB**

process of adoption of information technology for improving internal processes and services to customers, the banks have taken the first step by implementing the core banking solutions (CBS) during the late nineties and early decade of this century. Further, Reserve Bank of India introduced important payment systems like Real Time Gross System (RTGS) and National Electronic Fund Transfer (NEFT).

The CBS has given banks powerful online transaction processing capability and also set the right platform to go beyond transaction processing. Recognising the need for online analytical processing, the banks started building data warehouses and data marts and started implementing business intelligence and data mining. Customer Relationship Management (CRM) improved with development of products and services targeted to customer clusters. Customer convenience has become the focus.

With the rapid adoption of information technology, the need for information security has increased. It is only secured systems that increase the trust of the customers and banking is based on trust.

The thrust of banking today is to design, develop and deliver products and services that provide convenience, efficiency and security. Technology is playing



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The Awards Reward Banks for Effectively Leveraging Technology

> Continued from page 1

Technology needs to shift themes to drive adoption rather than just put functionality in front of customers. Driving adoption is about engaging customers to adopt new behaviours whether it be through financial literacy in financial inclusion or whether it is driving mobile app usage through a quality experience.

What is the role of IBA in fostering adoption of technology and innovations thereof by the Indian Banks?

The IBA Banking Technology Awards are seen as the industry standard in awards. Till now, deployment of technology in banks has been largely driven by regulatory trends and their focus has been on automating and centralizing processes in their operations. By shifting the focus of the Awards to Innovation, IBA has raised the industry standards. By recognizing and rewarding banks who have gone beyond

In India, Technology has had even a greater role to play. If it was not for technology, it would have been impossible for Indian Banks to handle the exponentially expanding volumes.

automation, centralisation and regulatory compliance, and implemented projects that were novel, made a definite impact and delivered sustained business value, IBA has prompted the Indian Banking industry to shift their focus to innovative projects. In the coming years, the IBA Banking Technology Awards is proposing to move from the current sector-based classification to a size-based one.

Anything more you would like to add?

My message to banks would be to optimize the usage of the technology already adopted by them. Educate their customers to use the alternate channels, to improve efficiency and cut down costs. There has to be greater thrust on financial literacy as a continuous process to convert the large number of accounts acquired by them under PMJDY into viable accounts.

My broader message for the banks would be that for the Technology Awards next year, we would like to see greater participation from a larger set of banks such as co-operative banks and Regional Rural Banks. The aim of the awards is to comprehensively represent the industry and drive greater participation and that is what you will see us doing through the IBA Technology Awards.

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COMMERCIAL FEATURE

CAPTAINS' SPEAK

MOVING TOWARDS A CASHLESS SOCIETY

V. S. KRISHNAKUMAR, MD AND CEO, CANARA BANK



Banking, in present times, has to reach to the customers at their place, at their convenience and in the form what they desire. This has been, by and large, made possible by focus of the Banks on implementation of technology for delivery of services to the customers and to improve their internal operations. The various channels of Banking have made Banks reach to the customers instead of customers reaching Banks. Banks in India have implemented two lakhs ATMs across the country providing a number of Banking Services. Internet Banking and Mobile Banking allow customers to perform Banking transactions by themselves at any time. New Payment Systems allow 24x7 payment services. Products like Cards, e-Wallets and m-Wallets have made strides towards a cashless society. Technology has helped Banks to know their customers better and provide personalized service as per their need. Technology has also helped Banks in providing a large range of products and services through multiple channels. Banks are understanding

market better with the use of Customer Relationship Management and Analytics. Technology has also facilitated Banks to reach to remote corners of country with the help of cost effective solutions. This has opened doors of providing Banking Services to rural masses at reasonable cost. Opening of 1.5 Crore accounts on a single day under Prime Minister's Jan DhanYojana' would not have been possible without new age technology. Government's Initiatives such as Direct Benefit Transfer and Aadhaar linked schemes are avenues facilitated by technology. Technology has brought Customers and Bank come a lot closer. It is a Win-Win Situation. Two decades back, reaching to customers was a difficult task in the hands of the Bank and Customers had hard times reaching Banks. Both do this at ease now. Banks have means to reach customers, analyze their behavior, predict their future / present needs and provide innovative products for their requirements within a very short timeframe. They can serve a large number of customers spread geographically through their technology channels. Customers can communicate with the Bank in a number of ways using their Computer / Laptop or even Mobile Phone. They can even do the transactions themselves which are performed online even after business hours. They can file an application for availing a service or lodge a complaint and track their status. Customers are aware of the services available to them and their rights also. This transformation has been brought through technology and is likely to continue in future also.

TECHNOLOGY IS A COST SAVER

ARUN TIWARI, CMD, UNION BANK OF INDIA



The use of technology has been most dramatic in Union Bank. May be we have more customers who deal with us digitally. We were the first one amongst the public sector banks who spent ahead of the curve on the IT platform. For us public sector banks 100 percent CBS coverage and similar things benefits cannot be measured straight in terms of money or cost reduction. If efficiency goes up it adds to your value proposition. Talking of PMJDY

or going beyond metro and urban towns, perhaps the answer lies in mobile banking. If you talk about any other channel there would be the connectivity issue. Mobile banking is one where we are working very hard and trying to do it. Talking about the payment banks, unless we make some partnerships somebody else will be eating in our payment business. Among public sector banks we installed the first talking ATM and 1200+ ATMs are working around the country and especially in those areas eastern part of UP where it is needed more. ATM has been the driving force in technology. 60 percent of our transactions are e-transactions. Ultimately it evaluates somewhere in the efficiency and productivity. But going forward the challenge is how to make it more voluminous. Back of the envelope calculations show PSB's save about Rs 9 crores per branch because of CBS. So there is a clearly a reason to invest in technology-technology is not a cost it is a cost saver.

TECHNOLOGY IS ALL ENCOMPASSING

B. SRIRAM, MANAGING DIRECTOR & GROUP EXECUTIVE (NATIONAL BANKING), STATE BANK OF INDIA

Technology is helping banks in addressing needs and expectations in the new millennium. There are two aspects to this question. One is the need and expectations of the society and the other is of the individual. The society expects extension of banking services to all the unbanked population and if feasible open more brick and mortar branches. The Bank has met this challenge through technology. Before the advent of Core Banking Solution the Bank was opening less than a couple of hundred branches every year but since 2007-08 we have added over 6,000 branches till date without much of an increase in human resources. The Business Correspondent model for financial inclusion leverages the available technology for providing banking services in remote areas. The Bank has opened over 2.60 crore Savings Bank accounts in less than six months and handling of such a large volume has been facilitated by the use of technology. The handling of additional transactions which are flowing into the system, which is more than a million a day for DBTL alone, is also facilitated by the use of technology. The needs of the individuals especially of the younger generation is totally different. They require 24

x 7 service in a channel of their convenience. The Bank has an extensive network of ATMs along with a robust internet banking, mobile banking and contact centre platforms for meeting their needs. The Bank has recently started installing Cash Deposit Machines in a big way to help customers. We have also opened e-kiosks which can help the customers to put through a variety of banking transactions. We are opening a large number of e-corners to facilitate customers transact business 24 x 7. The Bank has opened seven digital branches. The experience gained from these branches would be leveraged to increase digitisation of various activities across the Bank. The Bank has leveraged technology to develop specialised loan products like Vendor and Distributor financing. The bank has also invested heavily to ensure that the operations are secure and reliable. Overall I consider that the bank has been able to meet the expectations of the customers in terms of usage of technology and delivery of services. Technology has altered the scenario for both the banks as well as the clients. For the Banks technology is no more an option but a necessity if they have to stay relevant and grow the business. The customer would not like to



many technology learning facilitation centres to achieve the objective. As the in-house capability of the Bank for handling of technology is limited many IT activities are outsourced. This has led the Bank to develop skills in newer areas like Risk Management, Vendor Management, Negotiation skills etc. In addition there has been a concerted effort in re-skilling of staff in the use of technology and the new processes. The customers have also been

adept at using technology. The number of transactions put through ATMs clearly indicate that it is being used by customers of all categories. The stagnation in number of cheques presented through clearing indicates the increased usage of electronic channel by customers. The role of technology in banking is already all encompassing. However, the new trends in technology would have significant bearing on banks. There are three areas which would see a lot action in the banks. They are in the areas of mobility, analytics and social media. In the recent years mobile technology is developing at a fast pace. Its usage would increase in the banks in the form of TAB and mobile banking and bring your own device within the Bank. These would bring tremendous challenge to banks in terms of risk evaluation and mitigation, security policies and procedures etc. The volume of internal and external data available would be analysed by the banks in more meaningful ways to take informed decisions. There is a lot of information available in the social media and the banks would have to leverage it. It can also be used for promotion of the brand.

USE OF TECHNOLOGY HAS ENABLED MOVE FROM CLASS TO MASS BANKING

M. V. TANKSALE, CHIEF EXECUTIVE, IBA



A few years back, the techno-savvy bank enjoyed a competitive advantage. Today, every bank offers any time anywhere banking. So, unless you innovate and come up with value added offerings to meet customers growing needs, you have no advantage. For this, both bankers and technocrats need to think "one step ahead" of the customers' requirements. Efficient use of Information Technology (IT) has facilitated the movement from class banking to mass banking.

Further, it has also enabled the banks in India to provide newer products as also alternate channels to the customers aiming at vertical and horizontal expansion of their businesses. In this modern era, where "speed" and "ease" are definitely having an edge, banks are focusing to keep the procedures of transactions as simple as possible without diluting the banking norms including security aspects. Having traversed through multi-channel banking for some time, banks are now

faced with challenges of attuning themselves with adjusting with different groups of customers. One group is the Generation "Y" customer, who is completely techno-savvy and would like to have all banking facilities available with the click of few buttons. Another group is the slightly older customer who have migrated from conventional banking to modern banking along with the banks and still not comfortable with the use of technology for doing transactions. Another group and that group is the majority which is coming

to the banking system for the first time. They are totally ignorant of what is banking all about. Since banking is more focused on customer service, banks have to cater to the needs of all these three broad groups and it is indeed challenging.

THIS SPECIAL FEATURE IS
CONCEPTUALISED AND EXECUTED BY

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Powering the
Bank of the Future

Why is the banking industry exciting for technology companies?
The banking sector is likely to be the most leveraged in the coming years, where the data monopoly between datacenter and end points would be dismantled through data-based compute models built around analytics and cloud. It is therefore definitely an exciting time for the technology industry in India.

Where in the banking sector will technology play a role?
The multiple sources that data can come from allow anywhere, any-device banking, but make it difficult to understand customer behavior.

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Financial inclusion is another key focus area. In both, technology will play a huge role.

Can you elaborate on the key technological vectors to this change?
Big Data and device proliferation will be at the forefront of the banking sector very soon. For example, the Commonwealth Bank of Australia offers a mobile app that uses "augmented reality" technology to help with home-buying. House hunters simply point their smartphone camera at a residence to bring up extensive property details, alongside monthly payment estimates on mortgages and insurance. Cisco is forming partnerships with companies developing such apps. Big Data is driving technology expansion while devices are enabling true proliferation. Remote advisors, wealth advisors and video calling are the tools that will be used for communication in the banking sector in the coming times and will transform the banking methods by providing consumers with relevant information instantly.

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