



i-CAN-IDEATE

IDEAS THAT HELP US GROW TOGETHER

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FROM GS'S DESK

Shri. Ravi Kumar K.



EVERYTHING BEGINS WITH AN IDEA!

Dear Canpals,

As an association, (Y)our CBOA has always believed in synergizing employee satisfaction with larger organizational objectives. Our endeavour in CBOA has always been to astutely strike a sweet spot of augmenting employee capabilities along with continuously striving for our mother bank's growth. Simultaneously, it has been our consistent effort to collaborate, ideate and deliberate on varied issues that impact each one of us and our mother bank, through different platforms and forums. And, we are humbly proud to have steered that endeavour hitherto, in the best interest of all the stakeholders.

Now, in this pursuit of bringing forth the topical issues chiefly of banking domain intersecting with macro-economics and finance, and furthering the intellectual capacity of our Canpals, it is my pleasure to share with you all our first issue of 'i-Can-Ideate' newsletter.

This newsletter is a sincere attempt to initiate an 'unbiased and aware' discussion on multiple issues that affect each one of us. For the purpose of its brevity, the writings may be illustrative rather than exhaustive. The team has strived hard to accommodate the ideas succinctly for each topic which otherwise solicit at least few pages of scholarship. Again, the bottom-line is to mildly titillate the intellectual muscle of our brain so as to consciously evoke interest in varied issues and topics.

Happy Reading! Let us all grow together!



**CANARA BANK OFFICERS
ASSOCIATION'S
MONTHLY NEWSLETTER**

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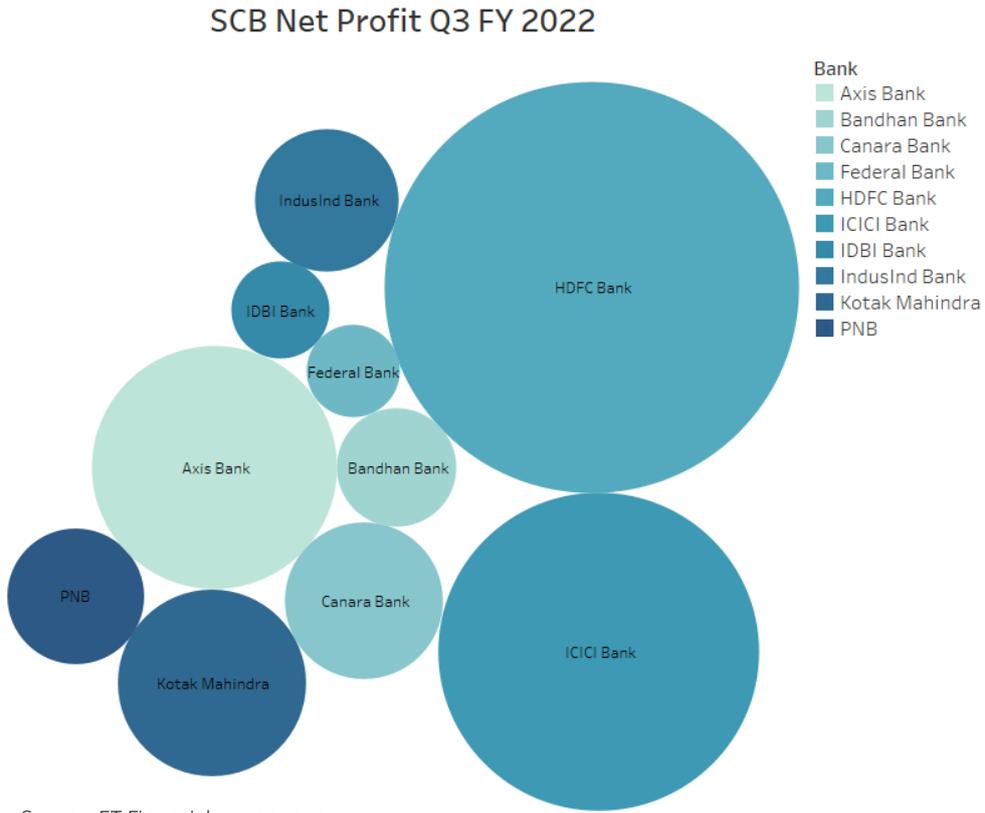
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THE CONTEXT OF BANKING SPACE

In India, the banking sector have weathered the COVID-19 disruptions well, supported by the policy measures of both the government and the RBI. The financial sector remained broadly resilient and robust during the pandemic on the back of strong fundamentals of SCBs. The performance of PSBs vis-a-vis PVBs in the light of Covid-19 induced disruptions has been a bit skewed towards PVBs. However, given the mandate of being the socio-economic drivers of the country, the PSBs have spearheaded various government schemes. The financial results of SCBs including the recent Q3 FY22 needs to be seen with that perspective.

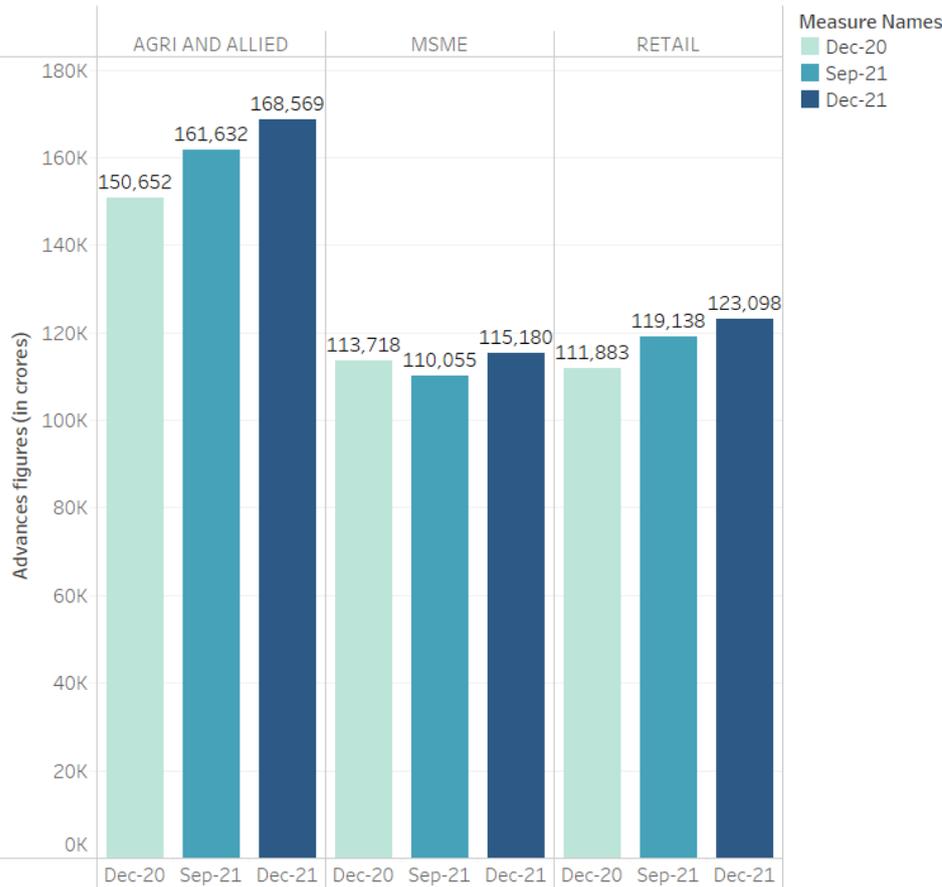
With SBI, BoB Q3 FY22 results still to be out, our mother Bank has lead the pack of PSBs showing robust growth in Net Profit of Rs. 1502 Cr, a more than 200% growth y-o-y. We envision an even stronger growth of our bank in the quarters to come.



Source: ET Financial newspaper

THE RAM THRUST

RAM Portfolio - Canara Bank



The RAM (Retail, Agriculture & Allied and MSME) portfolio have become the mainstay of credit growth for the banks in the recent years. After the initiation of Asset quality review (AQR) in 2015, wherein banks have piled up huge NPAs due to heavy corporate loans. While cleaning up the balance sheets, banks have gradually realized to shift focus to more broad based, diversified, inclusive and relatively safer area of lending, i.e. RAM. It has now evolved as the thrust area for lending institutions, esp. the PSBs who were over-burdened by stressed corporate assets.

In our Bank, the RAM segments' share has largely remained poised at 56-57% of the total global advances in the last few quarters, which is a positive. The most resilient sector during the pandemic, Agri and allied sector has registered a robust growth of 11.89% in Q3 FY22 y-o-y on a strong base. The retail portfolio of Bank too has posted a encouraging growth of 10.02% in Q3 FY22 y-o-y.

The overall goal may be to achieve quality growth under RAM, going forward.

MSME SECTOR AS THE GROWTH DRIVER OF INDIAN ECONOMY

The micro, small and medium enterprises (MSMEs) in India are the levers of economic growth. This sector houses immense potential and talent employing approximately 12 Crore individuals, constituting 40 percent of the workforce. The government has recently allocated Rs 20,000 crore to be used for the development of MSMEs through MUDRA loans. Numerous incentives, grants, and schemes from the government to encourage MSME growth indicates their significance as growth engines. Some of these initiatives are: Production Linked Incentives (PLI) for manufacturers, easy credit availability through schemes like Credit Guarantee Fund Scheme, Credit Linked Capital Subsidy Scheme, etc. We firmly believe that Covid-hit MSME sector is going to be a growth driver to boost economy towards \$5 trillion goal by FY25.

Way forward in 2022 could be:

- **Developing Bond Market:** With India's bond markets starting to take shape, promotion of SME bond issuances may provide a fillip to debt capital markets participation of MSMEs.
- **Creation of Independent Regulator:** Government may explore creating an independent body which can advise and provide consultancy to MSMEs and enable them to win in this new, digital world.
- **Improving Regulation:** Providing right impetus to focus on Ease of Doing business, the reporting, approval and compliance requirements for small businesses to be made easier and simpler.



BAD BANK: STEP IN THE RIGHT DIRECTION?

The idea behind a bad bank is to clean the balance sheets of the banks and financial institutions of an economy. At present, the Indian economy is under stress because of increasing NPAs in the banking sector, which have resulted due to the COVID-19 induced lockdown. Amidst this pandemic, the government proposed to setup a 'Bad Bank' in Union Budget 2021-22 to handle the stress in the banking sector of our economy. As per recent reports, with banking sector GNPA in India already above INR 20 lakh crore, and expected to increase to upwards of INR 30 lakh crore in the near future, there is an increasing ask to unburden the banking system of NPAs and expedite the recovery process.

The government has recently announced the setting up of the National Asset Reconstruction Company Ltd (NARCL). This will take over bad debts of nearly ₹2-lakh crore from banks. This way a bad bank will prove to be an asset for our economy and from the perspective of a commercial bank saddled with high NPA levels, it will immensely help. This mechanism may help banks get rid of its toxic assets, which were otherwise eating up its profits due to provisioning. In the absence of such bad assets Banks may focus more on creating a strong and healthy advance portfolio.

We deem creation of Bad Banks as a step in the right direction, as:

- The new institution may enable banks to focus on core business.
- Pooling of bad assets under a single entity may help in terms of resolutions (quicker decisions).
- A dedicated Bad bank may be better than a number of PSU banks replicating similar departments in their respective organizations.
- Management can focus primarily on developing the core franchise (good bank) whilst appropriately managing the non-core assets.



EMOTIONAL INTELLIGENCE: THE NEW MANTRA FOR LEADERSHIP

With the banking industry constantly innovating and evolving to meet customer demands and requirements, revamps in technology and business models in a short amount of time are a new normal here. For one to balance these turbulences, it becomes imperative to develop the ability to notice, identify, understand and manage not only our own feelings but also the emotions of others involved in the process. This concept, termed as Emotional Intelligence (EI) framework includes four interconnected competencies, which impact one another.

- Self-awareness: Being able to recognize the ways in which your emotions impact your behavior and how you interact with other people.
- Self-management: Taking charge of your emotions, to affect a balance of emotions.
- Social awareness: Being able to understand the social surroundings, inferring the feelings of other people there.
- Relationship management: The ability to communicate effectively, bond with people and interact well, so as to elicit the best from people.

Some tools and techniques that can help a professional realize the EI framework are: a) Recognizing one's feelings and being able to identify them what one is going through; b) Assessment of one's Strength-Weakness-Opportunities-Threats (SWOT); c) Practicing mindfulness; d) Listening with tolerance, compassion & empathy; e) Aligning with the team and encouraging them; f) Practicing social awareness.

FIVE STRATEGIES FUELLING HUMAN CAPITAL GROWTH

- **"When 1+1 makes more than 2"**

Quarterly team building exercises may to be institutionalized in the organization where there are huge gaps in establishing personal equations with peers/seniors/juniors. Knowing your peers personally helps the organization in the long term.

- **"Share thy experience!"**

Tasks/assignments/paper presentation to individuals/group of participants may be made as a regular feature for experience sharing among participants in different domains, especially on Fraud prone areas. This will facilitate meaningful interaction between all the employees working on same themes across different branches.

- **"Because every skill matters!"**

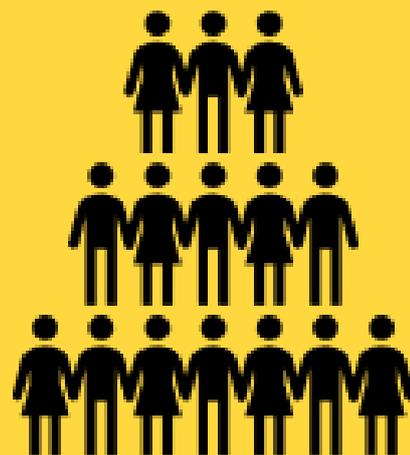
Competency Mapping: a process of identifying key competencies for a particular position in an organisation and then using it for job-evaluation, recruitment, training & development, performance management, and succession planning.

- **"An idea can change your life!"**

Teams - Ingenious, Idea, and Incubation & Implementation: In this HR practice, a team is constituted to generate new ideas and also tasked to implement them. This involves assigning of a new project or work from its inception to completion stages to a team.

- **"Think Aloud!"**

Knowledge sharing sessions: Sessions may be periodically organised by the bank to broaden knowledge base of our employees and improve their effectiveness. Conducting knowledge sharing sessions/ meetings/discussions enhances role clarity, helps HR identify with the objectives of the organisation and updates knowledge about latest trends thus improving effectiveness of the personnel.



MEET OUR TEAM

Team behind bringing this newsletter to you

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