C

i-CAN-IDEATE

IDEAS THAT HELP US GROW TOGETHER

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FROM THE DESK OF GS

Shri Ravi Kumar K.

"Perseverance is not a long race; it is many short races one after the other" – Walter Elliot

Dear Canpals,
Our mother Bank has reported financial results for quarter ending September'22. The results are nothing short of being historic! **The market stakeholders have responded emphatically to our rise, visible in our share price jumping almost 8% before and after the results announcement!** This shows our broad-based acceptance among our multiple stakeholders not only as a credible institution but also as a fast moving, sustainably placed financial conglomerate!

Friends, **with excellence comes greater responsibility!** CBOA is sincerely cognizant of its role in our mother Bank's extraordinary growth story and our ultimate goal of becoming the '**Best Bank to Bank with**'. In this post-Q2 results' issue of our newsletter, the editorial team has tried to revisit the mantra of **creating a casa ecosystem and a credible retail term deposit base through digital transformation**. **Happy Reading! Happy Learning!**

CANARA BANK OFFICERS ASSOCIATION'S MONTHLY NEWSLETTER

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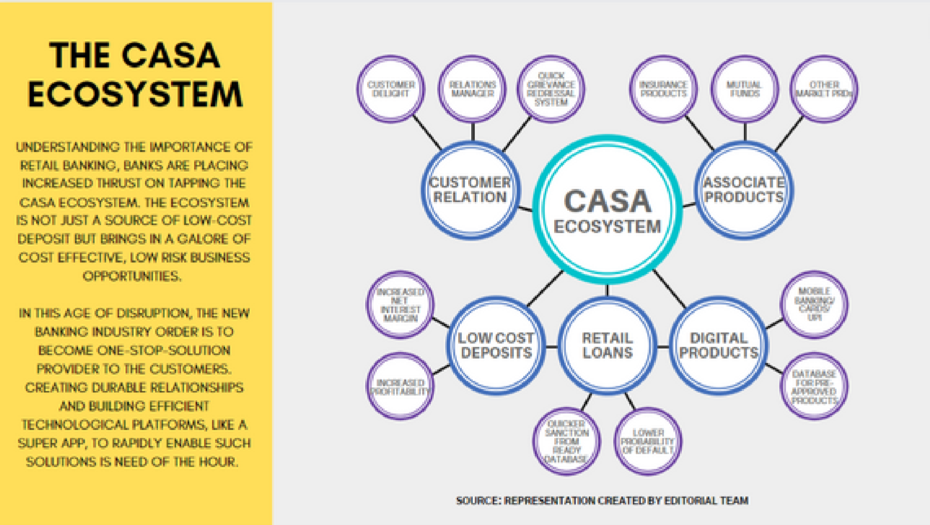
GARNERING QUALITY CASA...

Creating CASA ecosystem :



A healthy CASA deposit base not only shows the strength of Bank's liability base in their balance sheet, but also portends towards new customer acquisition efforts along with the type of customer experience offered by the Bank. **It says "how many quality clients a Bank is catering to".** More quality clients, more the strength! Hence, there is no doubt that creating a CASA base is indispensable.

How do we do it?

Strengthen Bank from Home (BFH):

- Video based KYC and account opening
- **Relationship managers** for high value account (total deposits)
  - Rs. 1 Lakh to Rs. 10 lakhs - CASA officer
  - Rs. 10 Lakhs to Rs. 1 Crs - Branch in-charge/Second line
  - Rs. 1 Cr to Rs. 10 Crs - Regional Head
  - Rs. 10 Crs and above - Circle Head

Serve family not just an individual:

- **Creating personal relationships** with the customer and their families in order to understand their needs and expectations.
- Giving **package benefits** in case the entire family joins us through liability products (deposits etc). Package benefits could include lower insurance premium, lower commission charges in mutual fund, easy overdraft facility on deposits or lower credit risk premium on mortgage backed loans.

Gen-Next expectations Bank-from-Home (BFH)

*"Mr. Vikram, who is a software professional for the last 15 years based in Bangalore has contributed to the digital transformation of the country and its services industry. he is a strong believer of technology and the biggest benefits its brings to the people in terms of accessibility, quality and trustworthiness. As a customer, he applies the same to the Banking industry. He believes that just like **Work-from-home (WFH)** in the software industry was a revolutionary idea that changed the very nature of working and employee experience, similar to that the idea of **Bank-from-Home (BFH)** would completely revolutionize the way Banking is done and customer experience is contemplated!"*

Our say:

Customers have a strong belief in public sector banks, esp. when it comes to parking their funds. However, with that they expect ease and speed in banking, which private players are tapping very quickly. The next gen wish to get their banking solutions at a tap of their phone screen and at the comfort of their homes. *Hence, initiatives on 'Bank from home', bringing entire families into our folds with customized services offering are the need of the hour!*

STRENGTHENING RTD BASE...

Our mother Bank has an **enviable legacy of a strong Retail term deposit (RTD) base.** This relationship is built on trust, reliability and mutual growth. All this while our customers have cohesively treaded with us in our glorious journey of 116 years.

Amidst the rising competition and changing customer expectations, **few important ideas** that could help in strengthening the deposit base in general and RTD base in particular are:

Our depositors, our most important stakeholders:

The depositors need to be catered in a special way. They are literally the creditors of the bank who have 'Banked' on us and parked their funds with us. Especially in a **rate-hiking scenario** like now, when **banking liquidity is in deficit**, our relationship with the depositors becomes even more critical. In absence of continuous interaction with the depositors, Banks may adversely affect their brand value and margins.

Boosting premiumization:

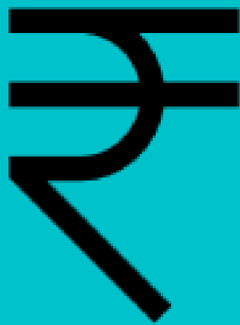
Premiumization is making a brand or product appeal to consumers by **personalizing** it to meet their needs, and ensuring its **superior quality or exclusivity**. Further, by pursuing the path of premiumization, customers are much more likely to **Bank** more from us than our competitors; **remain loyal** as we understand their needs and assist them with complete solutions.

Building a digital marketing strategy:

Most consumers, esp. Gen next customers, will experience Banking through multiple channels, including social media or website before considering walking into a branch or opening an account. Some may download and check the app before doing so. Adjusting to this **omnichannel experience** means working to curate a customer journey across platforms so that customers experience the same branding and as close to a seamless experience as-is possible.

Ensuring attractive returns to the depositor:

Attractive rate of interest on retail deposits unarguably the most critical indicator for luring customers, though margins need to be saved. In addition to that, offering referral incentives, offering progressive rates amount-wise, service charges concessions, giving top-end depositors free checks/RTGS/NEFT/Cash handling, and making sure that the online portals are accessible, easy to use and responsive.



Our Say:

In a rate-hiking cycle and a liquidity deficit scenario, garnering Retail Term deposits becomes a important benchmark for ensuring continued flow of funds and maintaining profitability. Amidst a highly competitive environment and a tug-of-war for deposits, the first-mover with technological advantage will reap the benefits.

BY DIGITAL TRANSFORMATION

In order to compete with new Generation Banks and to remain ahead of peers, Bank has launched the "Canara ai1" Mobile Banking Application. This **SUPER App** has been bundled with 250+ features catering to the needs of customers in a single platform. The app has been well received with **1 Cr+ downloads** as on date. Besides this, the revamped version of **Internet Banking portal** is now tightly integrated with CBS, mobile compatible and with improved user interface to provide **delightful customer experiences**. The latest development shows that *our mother Bank is continuously re-calibrating its digital arsenal so as to align with the current needs of new-age customers.*

Increased customer engagement:

The definition of engagement has gone beyond from just interaction to pre-empting the need of customers through use of tools like data analytics and AI. The recent technological innovation has ensured increased, continuous and customized customer engagement amidst efforts on reducing customer physical footfalls for routine needs. The focus is on making our branches as places of specific interactions rather than for routine needs.

Customer take on Mobile Banking:

"Mr. Vijay (name changed), 22 years, is a recently graduated IT developer with Oracle Corp. He represents the tech-savvy, decently earning, fast paced and highly demanding generation of individuals. Vijay is completely averse to visit bank branches for availing facilities and engage with his Bank. Rather he expects the digital banking mediums to be robust, quick and responsive to his needs. He expects complete banking package including equity trading, mutual fund investment and insurance products under one umbrella application. Being a IT person himself, he is extremely calculative in choosing his preferred Banking partner. ***He prefers more engagement and lesser physical interaction.***

Our Say:

Tapping the young population along with attracting technologically potent older customers is a must to ensure our brand value and a dominant market share. Building a robust digital infrastructure will generate economy of scale in the business and will help us in becoming the preferred choice for entire segment of customers.

CBOA NEWSLETTER EDITORIAL TEAM

Building a digital-powered ecosystem:

The near term need is to re-imagine customer engagement, AI-powered decision making with help of data infrastructure. Building and leveraging capabilities to create value requires a coherent digital policy where the capacities are developed in-house along with suitable and synergetic fin-tech partnerships. The focus may be put on bringing operational aspects of business on digital platform, so as to ensure quick & error free operations with minimal manual interventions.

Bank-from-home (BFH) - The game-changer!

Under today's highly disruptive and rapidly transforming environment, BFH is undeniably going to be a game-changer. First movers with reliable banking systems in this direction will definitely capture the market share.

For Retail Customers: Ease of banking, quick turnaround time, pre-empting the need of customers, focus on premiumization and customization aided by technology will create a conducive ecosystem for CASA and Deposits.

For Corporate Customer: Providing End-to-End business solutions to corporate clients, delivering complete packages for various international and domestic banking needs.

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