Dr. J. N. Misra
Chief Executive Officer, IIBF, Mumbai

The Indian Institute of Banking & Finance (IIBF) has completed 90 years of dedicated service to the banking industry in 2018. The journey has indeed been eventful and illustrious. During this journey, the Institute has constantly reinvented itself to effectively serve the banking fraternity. Owing to the unstinted co-operation by all stakeholders, IIBF has emerged as the largest Banking Institute in the world offering a whole bouquet of services for meeting the needs and aspirations of the serving and potential bankers.

To commemorate the occasion of completing 90 years, IIBF will be organising an International Conference on 25th September 2018. The theme of the conference is "Banking: Stepping into the next decade". The present issue of Bank Quest is a Special Edition dedicated to the theme of the International Conference.

We had invited articles from Banking experts, both in India & abroad, covering different domains of Banking & Finance.

Section I: Articles from Banking Experts (India)

The first article of this issue is authored by Mr. Rajnish Kumar, Chairman, State Bank of India, on "Banking: Stepping into the next decade". According to the author, the trajectory of Indian Banking, in the next decade, will be shaped by several forces viz. balance sheet restructuring, reducing share of corporates in banks' lending books, IBC, role of technology, laws on privacy, ownership of digital data and its storage, cyber security etc.

The second article is authored by Mr. Rajkiran Rai G., Managing Director & C.E.O., Union Bank of India, on "Banking as we see on the turn of decade". Mr. Rai through his article has given us a picture of Indian Banking at the Onset of Decade 2010s, "how we all came here", and "where do we go from here". The author has summed up by saying that there are positive vibes which could propel India to double digit growth trajectory in the coming decade.

The third article is by Mr. Anil Kishora, Deputy Managing Director and Chief Risk Officer, State Bank of India, on "Risk Management in Banking in the next decade". Mr. Kishora has given an in-depth perspective about Risk Management and concluded that Risk Management will likely be a source of competitive advantage in the next decade.

The fourth article is by Dr. A. S. Ramasastri, Director, Institute for Development and Research in Banking Technology (IDRBT) on "Banking on Technology in the next decade: From SMAC to FABS?". Dr. Ramasastri has explained that Banks have adopted the SMAC technologies – Social, Mobile, Analytics and Cloud – very innovatively and has identified four technologies, namely FABS – 5 G, Artificial Intelligence, Blockchain and Smart things which have great potential for a meaningful impact on the banking sector in the next decade.

The fifth article is penned by Mr. Madan Sabnavis, Chief Economist, CARE Ratings on "Banking in next decade: Resolve first before planning…". Mr. Sabnavis has very perspicaciously expressed his views on various issues of Banking as we see today & its transition to future. He has also, inter-alia, mentioned banks should get into CLAP (Capital, Lending, Asset Quality and Profits) mode.

The sixth article of this issue on "Banking in the next decade: An Economist's Perspective", is jointly contributed by Dr. Soumya Kanti Ghosh, Group Chief Economic Adviser, State Bank of India, Dr. Tapas Kumar Parida, Economist, State Bank of India and Mr. Sumit Jain, Economist, State Bank of India. They have concluded that future of Indian banking depends upon a number of factors like economic and regulatory environment, entry & exit of players, customers behaviour & others. In order to remain sustainable in the banking business, banks need to innovate their products, services and delivery channels, rather than simply depending on core banking areas like accounts, deposits & credits. Going forward, banks need to leverage their portfolio of solutions in a personalised way to cater to the needs of individual consumers at any given point.

The seventh article on "Capital Flows and External Vulnerabilities of EMEs", has been jointly authored by Dr. Barendra Kumar Bhoi, Former Principal Adviser and Head of Monetary Policy Department, Reserve Bank of India (RBI) and currently, Visiting Fellow at Indira Gandhi Institute of Development Research and Dr. Jang Bahadur Singh, Director, Department of Economic and Policy Research, Reserve Bank of India. According to the authors, financial globalisation has opened up new opportunities & challenges for Emerging Market Economies (EMEs). Portfolio flows to EMEs have been more volatile in the post GFC period. Such flows are likely to be constrained. The authors have outlined measures for improving the resilience of the EMEs so that they can have least disturbance in the event of sudden reversal of capital flows.

The eighth article of this issue on "Risk Management in the next decade" has been jointly authored by Mr. V. R. Iyer, Former General Manager, Oriental Bank of Commerce and Mr. Arun Kumar, Faculty, NIIT University, Neemrana (Former Assistant General Manager, UCO Bank & Former Deputy General Manager, IIFCL). This article gives us a deep insight about major risks which have impacted banking in India in the last decade and banking changes in the next decade warranting risk management. Emerging risks, major risk management challenges and measures for countering the challenges have also been outlined.

The ninth article is written by Mr. S. Mukhopadhyay, Former General Manager & Chief Information Security Officer, State Bank of India, on "Role of Technology in Banking in the next decade". According to the author, technology will be the

enabler, the tool, the creator of differentiating edge over competition, and also the driver of business in the years to come.

The tenth article is authored by Mr. Rakesh Kaushik, Faculty, Indian Institute of Banking & Finance and Former Senior Vice – President, SBI Mutual Funds on "Ethics in Banking – The Way Forward". He has emphasised on the significance of rightful, ethical behaviour in Banking Industry. As the cost of unethical conduct and its implication could be huge and would involve both financial & non-financial costs, improvement in corporate governance, review of compensation structure, regular review of code of conduct may go a long way in improving ethical behaviour. Standards of corporate governance also need to imbibe the highest possible culture of honesty, integrity and ethics.

The eleventh article is by Mr. S. K. Datta, Faculty Indian Institute of Banking and Finance and Former Chief General Manager, Bank of India on "Stepping into the next decade - Emerging Areas in International Banking". Mr. Datta has discussed prospects of Blockchain technology in the International Banking arena. As technology has the potential of being a definite and disruptive game changer, technologies like Blockchain have to be reckoned seriously by banks.

Section II: Articles from Banking Experts (International)

The first article in this section is authored by Mr. Simon Thompson, Chief Executive, The Chartered Banker Institute on "Banking: Stepping into the next decade – Human Capital, Green Finance, Professionalism & Ethics". Mr. Thompson has emphasised that banking even in the future will continue to depend more on human capital than financial or technological capital. Threat and reality of climate change (Green Finance) and achieving a successful transition to a low carbon world will be the greatest global challenge for the present and future generations. According to the author, if we are to restore trust in banking, professional standards will need to remain a key priority over the next decade. For ethics and professionalism to succeed, global cooperation will be a key driver. A mention has also been made regarding the establishment of the Global Banking Education Standards Board (GBEStB).

The second article in this section is penned by Dr. Jae Woo Moon, President, Korea Banking Institute on "Korea Banking: Stepping into the next decade". The author, in his opening paragraph has outlined the special strategic relationship between Korea and India. The author has then discussed the roles and challenges of financial authorities and market participants to enhance the competitiveness of the financial industry through the development of the Korean fintech industry.

The third article in this section is contributed by Mr. Sanjiv Subba, Chief Executive Officer, National Banking Institute, Nepal on "Banking: Stepping into the next decade