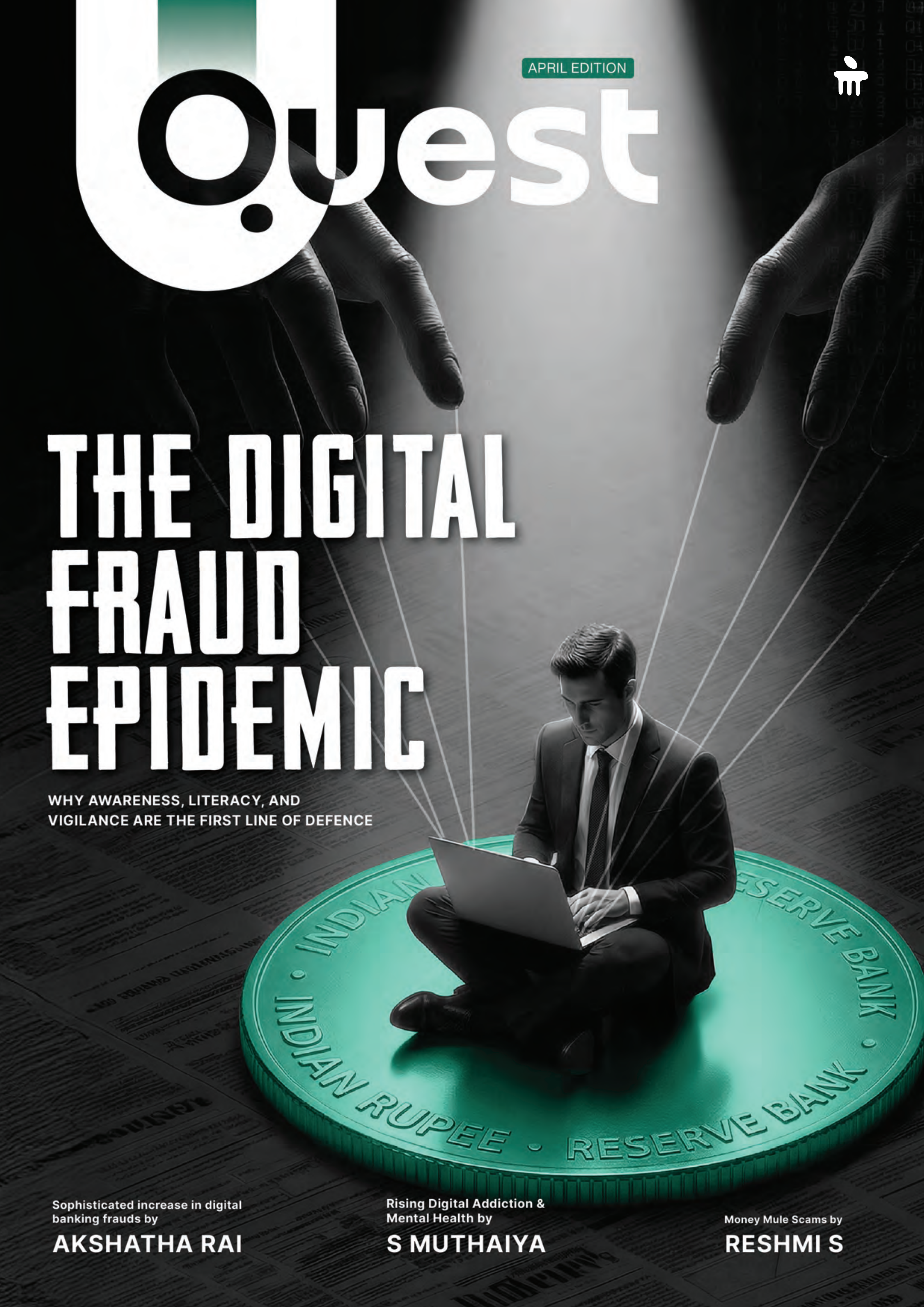
APRIL EDITION

Quest

THE DIGITAL FRAUD EPIDEMIC

WHY AWARENESS, LITERACY, AND VIGILANCE ARE THE FIRST LINE OF DEFENCE



Sophisticated increase in digital banking frauds by
AKSHATHA RAI

Rising Digital Addiction & Mental Health by
S MUTHAIYA

Money Mule Scams by
RESHMI S

APRIL EDITION

From the Editor's Desk:

Navigating the Digital Frontier

Dear colleagues,

Welcome to the fourth edition of U-Quest, your dedicated space for exploring the trends and challenges shaping our professional world.
As we continue to embrace the speed and convenience of a "digital-first" era, the landscape of risk is evolving just as rapidly. This issue's cover story by Akshatha Rai dives deep into a pressing reality: the sophisticated increase in digital banking frauds. While Muthaiya's article highlights rising digital addiction, Reshmi's article highlights the increase in scams through money mules. From intricate phishing schemes to AI-driven social engineering & the use of mules, the methods used to compromise financial security are becoming harder to spot.
In our feature article, we break down the mechanics of these modern scams and, more importantly, highlight the measure banks can take to protect themselves & their customers. Innovation is a double-edged sword; while it empowers us, it also demands a higher standard of vigilance and digital literacy.
Beyond the cover story, you'll find updates on internal milestones and peer-contributed insights that celebrate the collaborative spirit of our team.
The goal of U-Quest has always been to spark curiosity and keep us informed. We hope this edition serves as both a wake-up call and a toolkit for staying secure in a digital world.

Stay Vigilant, Stay Secure.

Happy Reading!

Vasant Hegde

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Digital Fraud
A Rising Menace In India

Akshatha Rai

"India's scariest scam -Digital arrest", news article in Bloomberg.

"Retired official duped of Rs 57 lakh", CBI charges filed in organized digital arrest racket"

"Digital arrest fraud Pune- Shocking Rs 5.8 crore nightmare"

"78year old former Banker loses Rs 23 crore to digital arrest fraud"

These are some common headlines we see in news on a regular basis.

In an era where digital technology is part of our everyday lives, it has brought about unparalleled convenience- but along with it there has been a surge in digital frauds. From fake investment schemes, phishing to sophisticated digital arrest frauds, cyber criminals are finding loopholes in technology and human vulnerabilities.

According to recent data, losses from digital fraud reached approximately Rs 22,840 crores in 2024, a massive jump from Rs 7,463 crore in 2023. Combined losses in 2023-24 exceed Rs 30,000 crores. These include investment scams, digital frauds and banking frauds. This has put tremendous pressure on banks to increase measures to protect their customer funds and build awareness among public.

One of the most recent examples of this growing menace is a recent Digital arrest scam busted by Hyderabad's Cyber Crime Police in December 2025. In this case fraudsters impersonated government & telecom officials to extort nearly 1.96 crore from victim under the guise of Digital arrest. The perpetrators used a combination of voice calls and psychological intimidation, convincing the victim that non-compliance would lead to trouble or arrest. After receiving initial funds, they continued to extort money through layered coercion.

What is Digital arrest Scam?

It is a form of social engineering where fraudsters pose as law enforcement, regulatory agencies or telecom officials. They typically convince the victims that their identity documents (e.g.-Aadhaar, SIM etc.) are linked to criminal activity. To clear their name, victims are instructed to transfer funds to designated bank accounts or digital wallets.

This scam has spread across India and has resulted in victims losing tens of crores in individual cases, including elderly victims who are particularly vulnerable. The psychological fear factor of legal action or arrest makes such frauds alarmingly effective.

Why these Scams work?

The success of such scams in India stems from different factors:

- Psychological manipulation: Fraudsters use fear, urgency and authority impersonation to override rational judgement. Claiming to be from government bodies makes victims comply more easily.
- Spread of digital platform: As banking and payments are spread online so do opportunities for exploitation. Many a times victims are asked to initiate UPI/RTGS or wallet transfers under false pretense.
- Low awareness & Digital literacy: Many users, especially seniors or first-time digital users, lack awareness or training to recognize red flags.
- Criminal Infrastructure: Cyber criminals use dark webtools, VPNs, and networks of mule accounts to obscure the transactions and evade law enforcement

Impact on Individuals and Economy

The impact of digital fraud goes beyond financial loss. Victims suffer emotional and psychological trauma, leading to anxiety, loss of trust in digital systems and in extreme cases, severe distress. For business and financial institutions, frequent fraud cases erode customer confidence and compliance cost.

How can this be prevented?

Safeguarding against digital fraud requires a 360-degree approach:

- Public awareness campaigns: Awareness about the various digital fraud needs to be created among the public, and how to safely use the various digital platforms.
- Strong cyber law enforcement: Cybercrime units should be equipped with the latest technical capabilities, and the investigation needs to be fast tracked.
- Technology Solutions: Banks and various other platforms should incorporate AI- powered scam detection and two- factor authentication to make the usage of the digital platforms much safer.
- Collaborative Frameworks: All the stakeholders should work together to ensure digital platforms become safe for users, and the scamsters are not running scot-free.

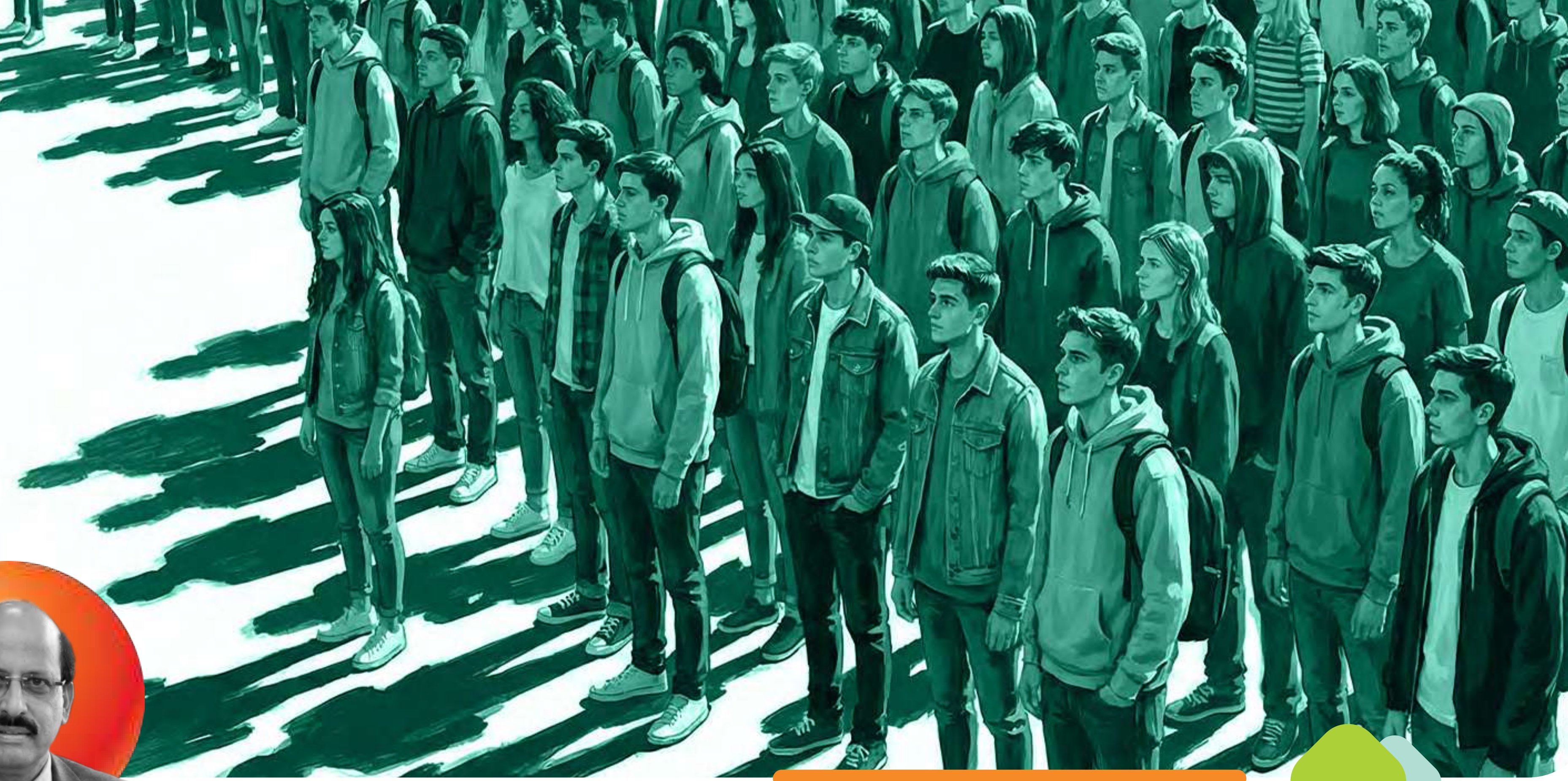
Conclusion

Digital fraud is not merely a technical issue, it is a challenge that interconnects psychology, technology and law. As India's digital ecosystem expands, so does the need to safeguard users through awareness, innovation and robust legal action. A study of real cases makes organizations and individuals better prepared to prevent such threats.

From Fear to Freedom

Rethinking Life Insurance for the new Gen Z

ESNB Srinivas



On a breezy Friday afternoon at XYZ Software Solutions Inc., the HR team organised a session on need of life insurance by an insurance manager. He spoke passionately about securing families against life's uncertainties, emphasizing the importance of buying TERM insurance. At the end, Ashutosh Sharma, a 26-year-old software engineer, posed a question that lingered in the room long after the session ended.

"Why should I plan for my death like I plan for a vacation especially when I don't know the date of departure?"

It was a moment of quiet reflection. His analogy was striking. He compared death to a Coke bottle consumed during the session—with an expiry date. But for us the date is unknown. Ashutosh, a Gen Z, is no stranger to the impermanence of life. He has seen his grandparents pass away. But he questions the logic of planning for something so uncertain.

Ashutosh's question was not about rejecting insurance—it was a philosophical inquiry. Why prepare for an inevitable but unpredictable event? Is it logical to pack for a trip with no departure date and destination? Gen Z is not indifferent to life insurance; rather, they are inquisitive, seeking to understand purpose and impact before committing. Transparency, authentic communication, and genuine value matter more to them than fear-based persuasion.

For decades, across generations from the Silent Generation to Millennials, insurance sales revolved around fear—the fear of sudden death, financial instability, and leaving loved ones unprotected. As they trusted the authority, insurance agents used this fear to provoke anxiety, urgency to close the sales.

However, stepping into Gen Z's world, the landscape changes. Gen Z does not buy into sales tactics based on fear—they view it as a red flag. They seek authenticity and want to understand the "why" before considering the "what." For them, insurance is not a product but an idea—a promise of protection.

The keys to engaging GenZ

- Respect their intelligence: They use digital tools to make informed choices.
- Offer genuine value: Transparency and authenticity are essential.
- Align with their values: Gen Z has a progressive value system.
- Speak their language: Digital-first communication is vital.
- Empower with knowledge: Focus on smart planning, not just risks.
- Emphasize financial independence, legacy, and responsibility.
- Offer transparency: Make policies understandable.

Reframing the Insurance Narrative

- Insurance planning is not about predicting death but preparing for it.
- Insurance benefits the living, protecting survivors from financial burdens during emotional times.
- Planning ahead brings emotional and financial stability, like organizing for a vacation.
- Gen Z values minimalism insurance, as a minimalist tool, is a small investment with a huge benefit.
- Insurance as an act of responsibility, not a grim necessity.

Ashutosh's question highlights that Insurance goes beyond numbers and beyond fear factor. it is about narratives. Insurance dialogue needs a language of curiosity, clarity, and compassion for Gen Z. A change in perspective from fear to Freedom-freedom from financial anxiety, and freedom to protect what matters most.

Educators and financial planners need to reshape the narrative and start selling peace of mind, using the SEE approach. It is

- Survival Benefits
- Eventualities Covered
- Exit Options without penalties.

Indian insurers have introduced new Term Insurance Plans with innovative options, reflecting value-based engagement

- Waiver of Premium —If a parent dies during the term, all future premiums are waived off, and children's education is protected.
- ULIP as Retirement Planning Tool—Combining life cover with savings, it builds a retirement corpus while providing security. The maturity amount supports business or pension plans post-retirement.
- Credit Life Insurance—Covers loans and liabilities so families do not inherit debt, offering debt protection.
- Spouse Cover/Joint Life Policy—Suited for couples looking for both life cover and savings, securing home loans.
- Smart Exit Options—Allow customers to withdraw all premiums without penalty, increasing flexibility.
- Return of Premium (ROP) Option—Choices for receiving up to 200% of premiums if the insured survives to the term, rewarding long-term commitment.

To engage Gen Z, insurance communication must shift from selling fear to selling peace of mind.

Selling without selling
The elixir of Sales process

Joseena P

The Art of Selling: Selling Without Selling

RBI's recent draft guidelines on product suitability for the product has addressed the fundamental principle that building trust is more important in the BFSI sector than just making product pitches. A true salesperson assists clients in reaching their financial objectives rather than engaging in aggressive sales pitch. Sales have become a long-term advisory relationship rather than one-time event in modern day financial services ecosystem.

To remove the psychological barrier let's put the point in perspective step by step:

Build trust prior to the product pitch

Understanding the customer's needs, feelings, goals, and priorities is the first step in successful sales. Resistance naturally decreases when clients feel heard and understood. In the initial exchange, a skilled salesperson establishes themselves as a guide and advisor on the customer's financial journey rather than as a seller.

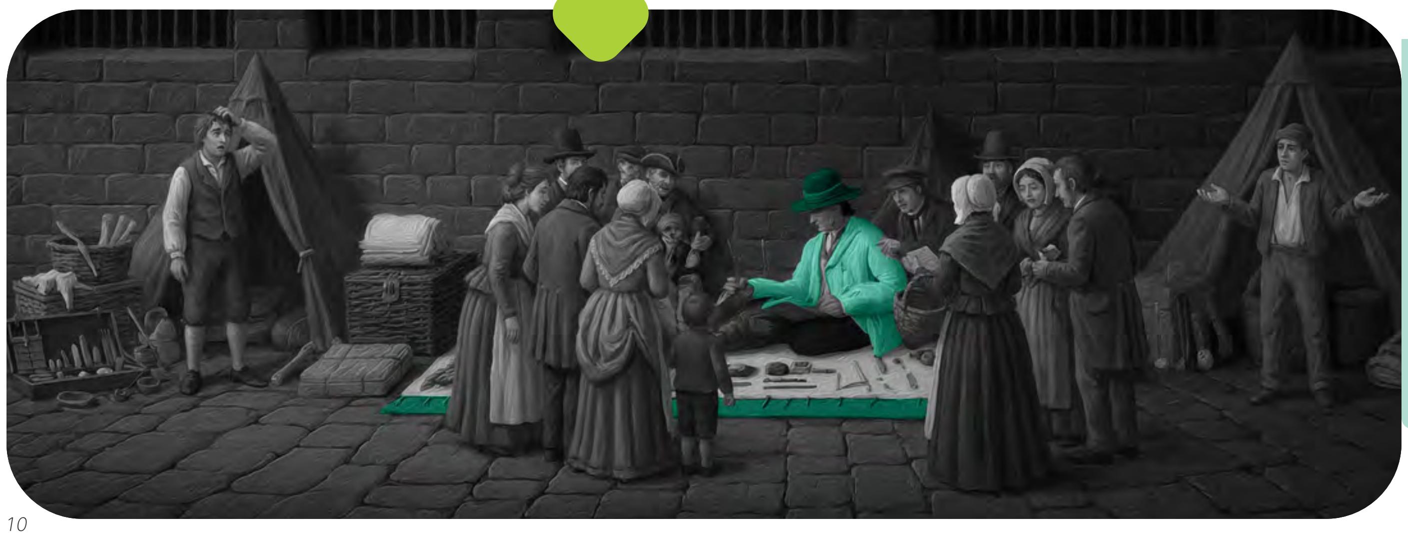
The discussion should revolve around

- Customer needs,
- Customer lifestyle,
- Customer financial goal rather than just the features and advantages of the product.

Discussions go beyond financial products, and that's where real connections are made. The customer and the salesperson build a solid foundation of trust through these deep discussions.

Pre-Call Preparation is Power

One of the most critical yet underestimated aspects of sales success is pre-call homework. An effective salesperson takes the time to learn about the customer's background, lifestyle, and financial behavior before each meeting. This preparation increases the effectiveness and impact of meetings.
A salesperson's confidence naturally rises when they arrive at a prepared meeting. Talking from the viewpoint of the client makes exchanges more relevant and specific. This strategy not only makes meetings more comfortable, but it also increases the customer's trust in the salesperson's competence.



The First Sale Is Just the Beginning

The initial sale is a powerful sign of trust but maintaining that trust is what ensures a long-term partnership. A skilled salesperson is aware that their duties don't stop when a deal is closed. Rather, they stay dedicated all the way through the customer's financial journey.

Making sure the client never feels "sold to" is true magic. Instead, the client is supposed to feel encouraged and assisted in making wise financial choices. Repeat business is expected when clients consider the salesperson as a trustworthy advisor.

Observation, Timing, and Communication

Every salesperson needs to have strong communication skills. Keeping updated about market developments and regulatory changes is equally crucial, particularly in the BFSI industry. It takes awareness and experience to know when to begin, guide, and end a conversation.
Active listening, thoughtful questioning, and effective objection-handling techniques are all necessary for successful sales conversations. Beyond words, observing the attitude, body language, and level of engagement of customers offers valuable insight. In order to ensure consistency and comfort throughout the interaction, a skilled salesperson modifies their communication style according to the customer's mindset.

A proper ending follows a proper beginning. Just as crucial as knowing how to start a conversation is knowing when to move into the concluding one.

To conclude :A Field-Based Real-Life Lesson

Future banking careers will be shaped by technology. Automation will reduce clerical roles, but opportunities will grow in data analytics, AI, blockchain, and customer experience. Success will depend on digital literacy, adaptability, and collaboration with technology. Those who upskill will remain competitive and thrive in the evolving financial ecosystem

The Future of Banking Jobs in India

I once worked very hard to get an appointment with a High Net Worth Individual (HNI) during my sales career in the insurance sector. During our initial meeting, I explained a couple of insurance products. But rather than concentrating on new purchases, the client brought up a problem with an old policy from years ago and requested help.

I immediately accepted responsibility for the issue and set out to find a solution. The service was successfully finished in a few days, even though the financial value involved was negligible in comparison to the customer's profile.

In our second meeting and subsequent meetings, the trust level of the customer towards me had been substantially enhanced. This trust helped in selling other commodities easily. This experience reinforced the important lesson that a small service can make a huge difference.

Sometimes, a small act of service creates a big impact.

Coaching in Banking: Breaking the Caged Mind for Digital Transformation. Mutual Funds

K. Janaki Ram

In today's rapidly evolving banking landscape, coaching is emerging as a powerful catalyst for transformation, individual growth, and organizational resilience. While banks invest heavily in digital tools and regulatory compliance, it is equally crucial to address the "caged mind" phenomenon that limits innovation and adaptability across the sector.

This article explores the multidimensional impact of coaching on banking professionals and teams, highlighting its critical role in shaping future-ready organizations.

Digital Transformation and the Caged Mind

Many banking professionals feel confined by legacy systems and conservative approaches, resulting in resistance to digital innovation. This caged mindset impedes the adoption of fintech solutions and adaptation to industry trends. Coaching serves as a bridge, enabling staff to embrace new technologies, cultivate a digital outlook, and proactively develop skills required for future banking roles.

Emotional Intelligence (EQ) in Banking

Beyond technical competencies, bankers increasingly need to manage client expectations, team dynamics, and internal pressures. Coaching drives the cultivation of emotional intelligence—building self-awareness, empathy, and resilience. These qualities are essential for effective relationship management and leadership, empowering professionals to excel amid stress and complexity.

Regulatory Change Management

Frequent regulatory changes bring uncertainty and anxiety to banking operations. Coaching offers tools to manage change strategically, fostering clarity, confidence, and commitment to compliance. Through targeted coaching conversations, bankers learn to prioritize critical tasks and sustain high standards without feeling overwhelmed, thus safeguarding organizational reputation and regulatory integrity.

Team Performance and Collaboration

The caged mind is not restricted to individuals; whole teams suffer, leading to siloed operations and missed opportunities. Coaching at the team level promotes openness, trust, and cross-functional sharing of best practices. The result is stronger collaboration, higher performance, and a vibrant culture of innovation—key ingredients for sustained success in digital banking.

Career Development and Succession Planning

Uncertainty about career progression is common among banking employees navigating change. Coaching provides clarity by helping professionals identify their strengths, set strategic goals, and take ownership of their professional journeys. This process aligns employees' ambitions with organizational needs, enhancing retention and creating robust succession pipelines.

Authentic Leadership Styles

As banks transition to flatter structures and agile models, authentic leadership becomes essential. Coaching helps shape leaders who inspire through values, vision, humility, and a growth mindset, instead of relying solely on position or authority. Mindful leadership fosters trust and engagement, critical for navigating complex banking environments.

Work-Life Integration

Banking's pace and demands often disrupt work-life balance, increasing the risk of burnout. Coaching addresses personal and professional integration, supporting fulfilment and well-being. Professionals learn strategies to reconcile their roles, manage stress, and thrive both at work and at home.

Why Coaching?

Coaching is designed to help individuals realize their true capabilities and address both personal and professional challenges through confidential and trust-based conversations. Coaching fosters self-awareness, solution-finding, and reflection, allowing people to identify and overcome obstacles holding them back.

Benefits of Coaching

- Encourages open communication and creates a safe environment for honest discussion.
- Helps individuals set clear goals and action plans, focusing on self-driven solutions rather than prescriptive advice.
- Provides accountability and regular progress checks, motivating individuals to follow through on commitments.
- Expands networks and learning opportunities by connecting with experienced coaches and peers.
- Promotes personal growth through increased self-awareness, better decision-making, and greater confidence, ultimately supporting higher performance and more fulfilling lives.

Coaching comes in various forms—leadership, career, skills, relationship, and life coaching—all with the shared goal of supporting individuals in overcoming challenges, finding new purpose, and achieving lasting growth.

Measuring Coaching Impact

To ensure coaching delivers tangible value, banks can adopt KPIs and quantifiable metrics such as job satisfaction, innovation rates, customer engagement, and compliance scores. Transparent measurement makes coaching outcomes visible to management and stakeholders, guiding future investment in talent and transformation initiatives.

Conclusion

As the banking sector faces digital disruption, regulatory shifts, and evolving customer expectations, coaching is not just a benefit but a necessity. By dismantling the caged mind, fostering emotional intelligence, enabling career growth, and quantifying impact, coaching empowers professionals and organizations to thrive in the new era of digital banking.

Campus Chatter

Central Bank of India MD Visits Manipal Academy of BFSI

सेन्ट्रल बैंक ऑफ़ इंडिया
Central Bank of India

The Managing Director and CEO of Central Bank of India, Kalyan Kumar, visited Manipal Academy of BFSI, highlighting a strong industry-academia partnership, as also covered in The Print. The visit spotlighted a specialized cohort of 1,000 credit officers undergoing an intensive, simulation-led residency program. Designed to bridge the gap between theory and real-world banking, the initiative focuses on credit underwriting, risk management, and customer interaction skills. With learners from 25 states, the program reflects diversity and inclusion, while reinforcing a shared vision of building a future-ready banking workforce for a 'Viksit Bharat'.

Kalyan Kumar
MD, Central Bank of India

> "At Central Bank of India, our collaboration with Manipal Academy of BFSI (MABFSI) represents a transformative step in building the future of banking excellence. Under the guidance of expert faculty, these officers are being equipped with specialised skills in due diligence, credit approval, underwriting processes, and business communication, blending technical proficiency with vital soft skills to excel in customer interactions amid today's competitive landscape. This structured approach is vital for achieving our vision of sustainable growth and supporting India's journey toward becoming a 'Viksit Bharat' by 2047.

Anand Bardhan
SVP Head Talent Acquisition & COE at Axis Bank

AXIS BANK

What are your views on the ABYB program?

The Axis Bank Young Bankers Program offers a legacy of unparalleled growth. We highly recommend young bankers to apply to kick-start their career through this premier opportunity.

How do you see Axis Bank Young bankers programme program contributing to developing future leaders for Axis Bank?

For over 14 years, the Axis Bank Young Bankers program has been the DNA of our branch banking. By ensuring a consistent supply of high-quality talent, it empowers our nationwide expansion and financial inclusion goals. It remains our top strategic priority as we continue to scale our physical presence.

What is your plan with respect to this with this partnership with Manipal?

Axis and Manipal share a long-standing partnership, from conceptualization to expansion. As "all-weather friends," Manipal remains our primary partner as we scale our academy and explore new strategic interests together.

Campus Buzz

Sports Day

Dec 05, 2025

Learners participated enthusiastically across multiple events, displaying strong team spirit and sportsmanship.
The day fostered camaraderie, energy, and healthy competition among the batch.

Leadership Engagement

Dec 24, 2025

An inspiring session by MD & CEO Mr. Salee S. Nair and EVP-HRD Mr. Ramesh D strengthened learner confidence and organizational connect.
The interaction encouraged open dialogue, career insights, and clarity on their professional journey.

Cultural Day- TMB Kalotsav

Jan 16, 2026

Learners showcased their multifaceted talents through vibrant performances and creative expressions.
The event reflected diversity, teamwork, and the cultural spirit of the batch.

Republic Day Celebration

Jan 26, 2026

With nearly half the batch performing on stage, the Ace Bankers delivered an impressive presentation.
Their outstanding performance earned them the Best Performance Award on campus.

Leadership Engagement

Feb 06, 2026

An engaging interaction with EVP-HRD Ramesh D addressed learner queries and reinforced organizational alignment.
The session boosted confidence and warmly reaffirmed their journey with the TMB family.

Reelathon

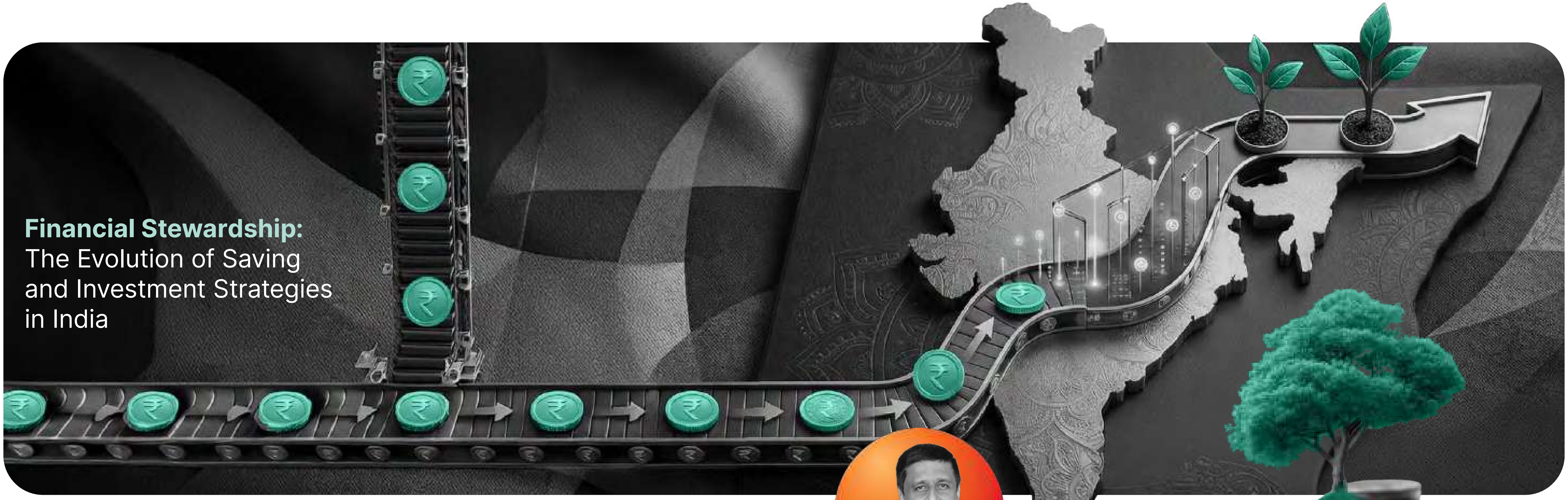
Feb 16, 2026

Team TMB Ace Bankers clinched the Viral Voice of the Month award for their engaging and impactful reel showcase.

FinConnect – Banking Minds in Action

Feb 13, 2026

FinConnect brought banking concepts to life through real-time problem solving, teamwork, and innovation.
The event highlighted the seamless blend of human judgment with digital and AI-driven thinking.



Financial Stewardship: The Evolution of Saving and Investment Strategies in India

Nagaraj Patil

People handle money in simple ways. There are two main attitudes. Some believe you should spend your money first and then save what's left. Others think you should save first and spend only what you can afford. Looking at how people in the West and India manage their money, we see they have different ideas. To make good financial decisions, you need to understand these different mindsets and how they work. The global financial landscape and modern wealth management are complex, and money management is part of it. Therefore, understanding concepts like "Spend first and Save later" or "Save first and Spend later" is very important.

The answer to your problem lies in the Indian Contract Act, 1872. Sections 59, 60 & 61 of the IC Act deal with appropriation of payments. Appropriation means the application of payments.

The Global Context: Lessons from the Debt Trap

The 2007 recession in the United States marked a significant shift in the global economy. It stemmed largely from widespread consumer behaviour in which individuals prioritized spending and saved only what remained. This pattern encouraged unnecessary purchases, leading many into substantial debt and ultimately sending financial shockwaves across global marketspayment.

The Indian Ethos: A Tradition of Prudence

India has long followed a "save before you spend" approach. From childhood, people are taught the value of saving often beginning with a simple piggy bank which shapes lifelong financial habits. Traditionally, these savings were placed in stable, low-risk avenues such as bank term deposits, gold, and real estate, helping households build wealth steadily over time.

Socio-Economic Shifts and the Modern Household

Indian households have changed significantly. Earlier, a single earning member supported many dependents, leaving little room for savings. Today, with more dual income families and fewer dependents, households have greater financial capacity and more money available for investment. This rising investable surplus has reshaped financial behaviour. The 2007 global financial crisis further reinforced the importance of disciplined saving an approach deeply rooted in Indian values.

The Strategic "Why" Behind Saving

Financial experts often emphasise the importance of disciplined saving. Saving is not about accumulating idle cash but about preparing for future goals—such as children's education, marriage, buying a home, travel, or securing life after retirement.
A key part of this discipline is contingency planning. Individuals are advised to maintain a buffer that can cover at least six months of household expenses, ensuring protection against sudden job loss or medical emergencies.

The Diversification of Investment Trends

The economy has grown. So, have ways to invest money. People still like to invest in things like gold and property. Indian investors are now trying new things, like Mutual Funds, Systematic Investment Plans, Alternative Investment Funds, Stocks and Pension funds. When Indian investors choose these investment options, they think about how old they are, how much risk they can take, how much money they make and what they want to achieve.

The whole thing is really complicated. That is why we have something called a 'financial doctor' or a professional investment advisor... Digital gold investments are becoming very popular. People like them because they are easy to buy.

Indian households continue to follow a "save before you spend" approach. This culture remains strong even today, with households contributing over ₹54.6 lakh crore in savings during 2023–24, making them the largest source of savings in the country. As investment choices expand, people are steadily looking for ways to grow their money in a stable and disciplined manner. By combining traditional saving habits with modern investment avenues, Indian investors are able to build wealth gradually and stay focused on long-term goals. This balanced approach allows them to pursue financial milestones with confidence, while maintaining the prudence that has always shaped India's saving culture.

New Insurance Bill 2025
(Simplified)

The Union Cabinet has approved the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Bill, 2025, which will be introduced in Parliament during the Winter Session.

Paramesh

The Bill updates key insurance laws

- Insurance Act, 1938
- LIC Act, 1956
- IRDAI Act, 1999

Objective: Modernise India's insurance sector, expand coverage, strengthen regulation, and support the goal of "Insurance for All by 2047."

Key Highlights

100% FDI in Insurance

- Raises foreign investment limit from 74% to 100%.
- Allows full foreign ownership of insurance companies.
- Expected benefits:
  - o More capital inflow
  - o Increased competition
  - o Better products and customer service
  - o Adoption of global best practices and technology

Stronger Powers for IRDAI

- Allows IRDAI to recover wrongful gains (disgorgement powers).
- Introduces one-time registration for intermediaries.
- Raises equity transfer approval threshold from 1% to 5%.
- Mandates clear rules and penalty guidelines for transparency.

What's Missing (Key Gaps)

- **No Composite Licence**
  - o Life and general insurers must still operate separately.
  - o Composite licences would have allowed one insurer to sell life, health, and general insurance.
  - o Limits bundled offerings and competition.
- **No Reduction in Capital Norms**
  - o Capital requirements remain:
  - o ₹100 crore for insurers
  - o ₹200 crore for reinsurers
  - o High entry barriers continue for small, regional, and niche players.
- **Other Proposals Dropped**
  - o Insurers selling other financial products (MFs, loans, credit cards).
  - o More flexible investment norms.
  - o Agents selling policies of multiple insurers.
  - o No provision for captive insurance companies for large corporates.

Easier Entry for Foreign Reinsurers

- Cuts Net Owned Funds (NOF) requirement from ₹5,000 crore to ₹1,000 crore.
- Encourages more global reinsurers to operate in India.
- Improves risk-sharing, competition, and market capacity.

Greater Autonomy for LIC

- LIC can open new zonal offices without government approval.
- Flexibility to restructure overseas operations as per local laws.
- Aims to modernise LIC's governance and global presence.

Easier Entry for Foreign Reinsurers

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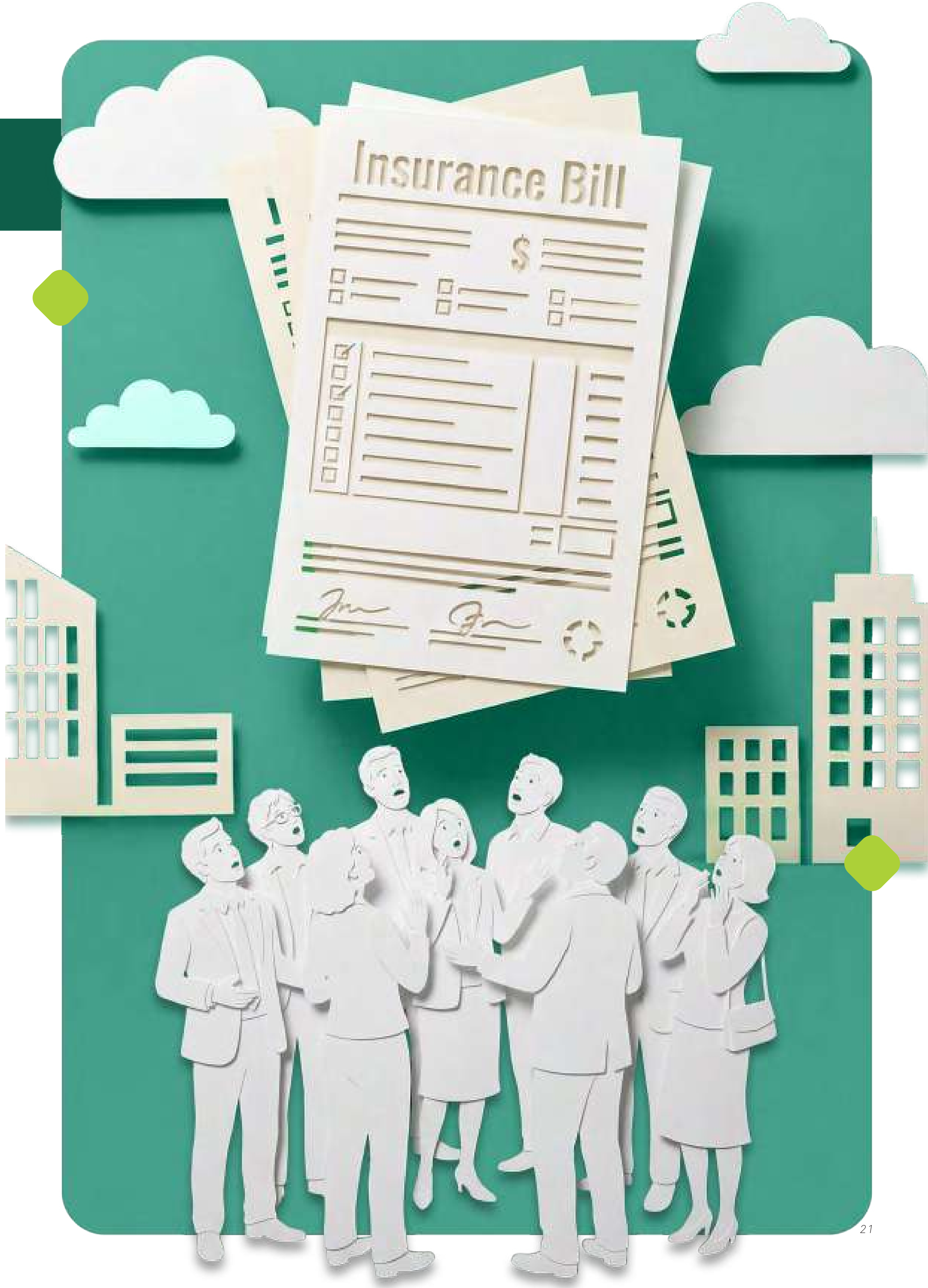
Bottom Line

The Insurance Bill 2025 delivers major reforms like 100% FDI and stronger regulation.

However, the absence of composite licences, lower capital norms, and captive insurers limits deeper transformation.

The Bill balances growth and protection—but leaves room for further reform.



Rising Digital Addiction and Mental Health: A problem that is often overlooked

S Muthaiya

In today's hyper-connected world, digital technology has become an inseparable part of everyday life. Smartphones, social media platforms, online learning tools, and digital entertainment have transformed how we communicate, study, and work. While these developments have brought significant convenience and opportunity, they have also given rise to a growing and often overlooked concern — **digital addiction and its impact on mental health**, particularly among children, adolescents, and young adults.

The Economic **Survey 2025–26** has raised an important alarm by highlighting the rapid increase in excessive screen usage and its psychological consequences in India. Conditions such as anxiety, depression, sleep disturbances, reduced attention span, and social withdrawal are increasingly linked to prolonged digital exposure. What was once viewed as a personal lifestyle choice is now emerging as a serious public health challenge.

Understanding Digital Addiction

Digital addiction refers to the compulsive and uncontrolled use of digital devices such as smartphones, gaming platforms, and social media. Unlike healthy or purposeful usage, addiction interferes with daily routines, academic or professional performance, physical health, and emotional well-being. A common indicator of dependency is the feeling of restlessness, anxiety, or irritability when individuals are separated from their devices.

Online games, endless scrolling, and short-form content are designed to capture attention and prolong engagement, making self-regulation difficult. Over time, excessive digital consumption can negatively affect cognitive development, emotional regulation, and real-world social interaction.

Mental Health at Stake

The Survey emphasises that excessive screen exposure is strongly associated with mental health concerns. Prolonged digital engagement often reduces physical activity, disrupts sleep cycles, and increases stress levels. Social media, in particular, fosters constant comparison, leading to low self-esteem, fear of missing out (FOMO), and emotional distress.

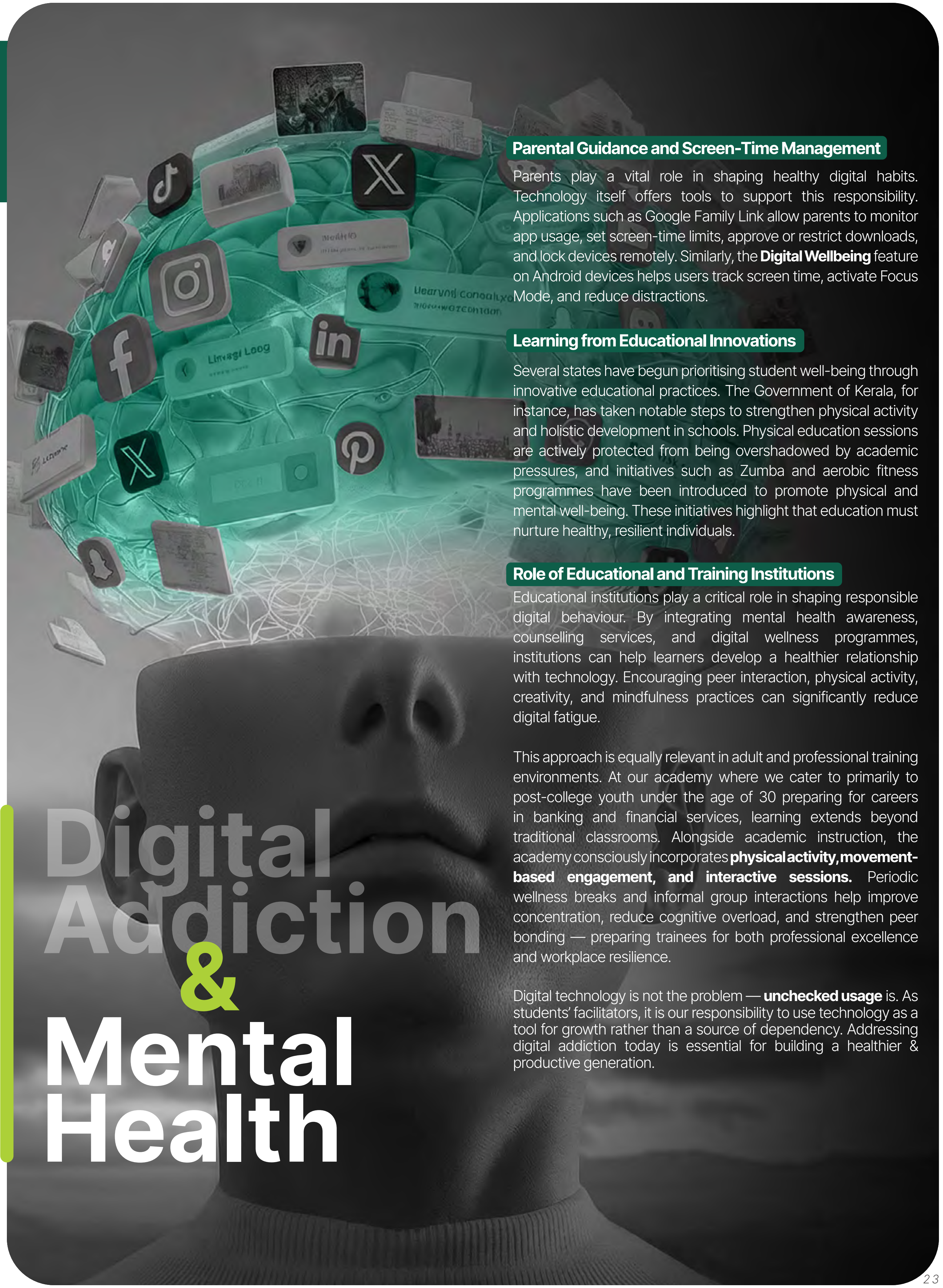
The covid pandemic further accelerated digital dependence. While technology played a crucial role in sustaining education and communication during lockdowns, it also blurred the line between necessity and overuse, contributing to isolation and screen fatigue.

The Way Forward: Balanced and Responsible Use

Recognising the seriousness of the issue, the Economic Survey recommends **structured and balanced interventions,** rather than complete digital restriction. Key measures include:

- Early cyber-safety and digital literacy education
- Parental guidance and effective screen-time management
- Encouraging regular physical activity in educational institutions
- Access to counselling and mental health support
- Age-appropriate digital access and content regulation

The Survey also suggests innovative approaches such as differentiated data plans for educational and recreational use, along with default blocking of high-risk content categories for younger users.



Parental Guidance and Screen-Time Management

Parents play a vital role in shaping healthy digital habits. Technology itself offers tools to support this responsibility. Applications such as Google Family Link allow parents to monitor app usage, set screen-time limits, approve or restrict downloads, and lock devices remotely. Similarly, the **Digital Wellbeing** feature on Android devices helps users track screen time, activate Focus Mode, and reduce distractions.

Learning from Educational Innovations

Several states have begun prioritising student well-being through innovative educational practices. The Government of Kerala, for instance, has taken notable steps to strengthen physical activity and holistic development in schools. Physical education sessions are actively protected from being overshadowed by academic pressures, and initiatives such as Zumba and aerobic fitness programmes have been introduced to promote physical and mental well-being. These initiatives highlight that education must nurture healthy, resilient individuals.

Role of Educational and Training Institutions

Educational institutions play a critical role in shaping responsible digital behaviour. By integrating mental health awareness, counselling services, and digital wellness programmes, institutions can help learners develop a healthier relationship with technology. Encouraging peer interaction, physical activity, creativity, and mindfulness practices can significantly reduce digital fatigue.

This approach is equally relevant in adult and professional training environments. At our academy where we cater to primarily to post-college youth under the age of 30 preparing for careers in banking and financial services, learning extends beyond traditional classrooms. Alongside academic instruction, the academy consciously incorporates **physical activity, movement-based engagement, and interactive sessions.** Periodic wellness breaks and informal group interactions help improve concentration, reduce cognitive overload, and strengthen peer bonding — preparing trainees for both professional excellence and workplace resilience.

Digital technology is not the problem — **unchecked usage** is. As students' facilitators, it is our responsibility to use technology as a tool for growth rather than a source of dependency. Addressing digital addiction today is essential for building a healthier & productive generation.

Money in Motion: The Secret Behind Market Economy

Prashanth Kumar A C

A tourist walks into a hotel, tenders a USD 100 bill at the reception, and heads off to inspect the rooms. On his part, the hotel owner takes the money and quickly uses it to repay his debt. The USD 100 bill passes through several hands before it gets back to the tourist, who decides not to rent the room. No one made any profit in the process, yet every debt in the town was cleared. This simple anecdote carries a powerful message — showing how money circulates and the role a debt plays in a market economy.

The story reveals a clear economic principle

Imagine a small, debt-ridden town where people are stuck in a cycle of debt. The butcher owes the pig farmer, the pig farmer owes the feed supplier, the feed supplier owes the mechanic, the mechanic owes the baker, and the baker owes the hotelier. They all owe each other, but none has the cash to settle their debt. Thus, everybody is indebted to someone. As a result, the economy of the whole town comes to a grinding halt.

The underlying principle of liquidity or money in motion set the trajectory of market economy. Therefore, the two vital components of money-in-motion emerge as

- **Liquidity**
- **Debt**

When liquidity steps in, everything changes

The anecdote clearly explains how money works as liquidity. In simple terms, liquidity means having enough money to put its shoulder to the wheel of the economy. Liquidity pulls the trigger for an economy to make it unending and perpetual. Without liquidity, the multitude of stakeholders, like Individuals, businesses, and the government, will be like fish out of water in an economy. Liquidity is dynamic, meaning it is not only the quantum of money circulating in an economy that is critical for economic activities, but it is also about how ***effortlessly money moves from one stakeholder to another --*** much like the tourist or butcher.

The central bank of a country plays a pivotal and vital role in creating liquidity and its velocity.

The market economy thrives on debt

Debt creation is central and the epicentre of market economy activities. Debt is facilitated through credit. Credit created trust in the economy. Let's ponder over our initial example. In this town, everyone used credit. Therefore, credit means trusting the borrower by lending money with the optimism that they will repay it back, soon and with additional income in the form of interest. Credit or debt is an important component of a functioning economy. But over-credit or debit beyond the repayment capacity can be risky and a big roadblock for an economy. For example, if a household over-borrow, they may not be able to pay back the debt promptly. This gives rise to a problem of illiquidity – the kind of problem the town faced before the arrival of the tourist.

The liquidity and debt create a fine and ever productive cobweb of economy with its spin-off effect, like employment, demand and consumption to create wealth for its people.
The anecdote proves that even a single act of debt creation and settlement can trigger a virtuous cycle for the entire community.

A debt-free society creates trust to invest

When people are debt-free, they start to invest productively, pro-actively and sanguinely. The anecdote also emphasises the role of "trust" to create wealth. The residents of the town placed their trust in the USD 100 bill as a store of value. This explains why every lender accepted the USD 100 bill as an instrument of settlement. In sum, trust keeps the economy running. Banks lend money because they trust their borrowers. If trust erodes, the entire system will come to a standstill. Banks may stop lending, and people may stop spending, too.

Therefore, the money-in-motion is not just about creating wealth but about creating and nurturing an ecosystem which creates a symbiosis of never-ending economic activities. In the same way, money in our real-world economy is a tool that allows us to buy things, pay off debts, and invest for our future. Money, credit, and trust are interconnected and self-fulfilling. The circulatory movement of money provides everyone with an opportunity to prosper. Much like the oil that keeps an engine running smoothly, the circulation of money can keep the economy running smoothly. We can conclude that money, if it remains idle, out of circulation, is detrimental and unbecoming of a healthy economy. Money-in-Motion in an economy ensures its people a fair opportunity to improve their lives and grow.

Campus Chatter

TMB Tamilnad Mercantile Bank Ltd
Be a step ahead of life

What are your views on your

bank's partnership with Manipal Academy?

Salee S Nair
MD & CEO at TMB

As the inaugural batch joins the Manipal Academy, these recruits are encouraged to absorb every skill and nuance like a sponge; this training forms the foundation of their career at Tamil Nadu Mercantile Bank (TMB).

Historically, TMB identified a performance gap between branches inside and outside Tamil Nadu. To bridge this, the bank is recruiting talent from across India, selecting Manipal Academy as the natural partner to transform these recruits into specialized bankers.

Over the next three years, TMB plans to open approximately 90 new branches nationwide. These officers, reared through the collaboration between TMB and Manipal, will serve as the torchbearers for the bank's expanding footprint. By developing "day-one ready" professionals through this rigorous four-month program, the partnership ensures that the bank's growth outside its home state is driven by high-performing talent capable of maintaining TMB's excellence on a national scale.

The Rise of Artificial Intelligence in Banking: Innovation Meets Risk

Priyamvada

Intelligence has often been narrowly measured through marks or IQ scores, yet true intelligence is multidimensional—analytical, emotional, creative, and adaptive. It is this broad intelligence that has driven human progress from ancient scientific discoveries to today's age of Artificial Intelligence (AI). While pioneers such as Aryabhatta laid foundational scientific principles centuries ago, modern visionaries have transformed computing into the powerful engine behind AI. However, as history repeatedly shows, every technological advancement carries the risk of misuse.

Banking is now at the centre of this dual reality—where AI serves both as a shield and, increasingly, a weapon.

The Evolution of AI and Its Entry into Banking

Alan Turing's theories on computation and the famous "Turing Test" laid the intellectual groundwork for artificial intelligence. The term "Artificial Intelligence" was formally introduced by John McCarthy in 1955, establishing AI as a structured field of research.

Today, AI powers virtual assistants, predictive analytics, recommendation engines, and large-scale data processing systems. In banking, it has become indispensable—driving automation, customer engagement, credit scoring, and fraud detection.

Yet, as AI systems grow more sophisticated, fraudsters have adopted the same technologies, transforming traditional scams into highly personalised and automated attacks.

Fraud in Numbers

According to the RBI Annual Report (FY25)

- Total fraud cases reported: 23,953
- Total value of frauds: ₹36,014 crore
- Trend: Fraud value nearly tripled year-on-year
- Loan and advance frauds: Over 90% of total fraud value
- Digital and card frauds: More than 50% of cases by number

These figures illustrate that while digital banking has expanded access, it has also widened the attack surface.

New Faces of Fraud

Fraud techniques have evolved dramatically. Today's cybercriminals use AI-driven tools to scale and personalise attacks. Common modern threats include:

- Phishing, vishing, and smishing campaigns
- Fake UPI or QR code payment scams
- Automated chatbots sending mass phishing messages
- Card skimming and digital identity theft
- "Digital arrest" fraud schemes
- Deepfake videos and voice cloning

Deepfake technology has raised alarm. Fraudsters can now mimic voices of bank officials or family members, increasing psychological pressure and reducing victims' ability to detect deception.

How AI Is Helping Banks Fight Back

Despite rising threats, banks are leveraging AI as a defensive weapon. Machine learning models now analyse millions of transactions in real time, flagging unusual patterns within seconds. Behavioural biometrics study how users' type, swipe, or interact with devices, detecting impersonation attempts even when login credentials are correct.

Natural Language Processing (NLP) helps identify suspicious communications and phishing attempts, while predictive analytics detects early signs of loan defaults or coordinated fraud. AI-driven Anti-Money Laundering (AML) systems use network and graph analysis to trace complex financial trails across multiple accounts.

Digital Payments Intelligence Platform (DPIP)

To strengthen fraud prevention further, the Reserve Bank of India is introducing the Digital Payments Intelligence Platform (DPIP) an AI-powered ecosystem designed to monitor digital transactions nationwide.

What is DPIP?

DPIP is a centralised, AI-driven platform that connects banks, payment providers, regulators, and law enforcement agencies. Built on trusted infrastructure such as UPI and Aadhaar, it enables collaborative fraud detection while maintaining data privacy.
Using federated learning techniques, institutions share encrypted risk indicators rather than raw customer data. AI models generate real-time risk scores, allowing banks to approve, flag, or block transactions instantly.

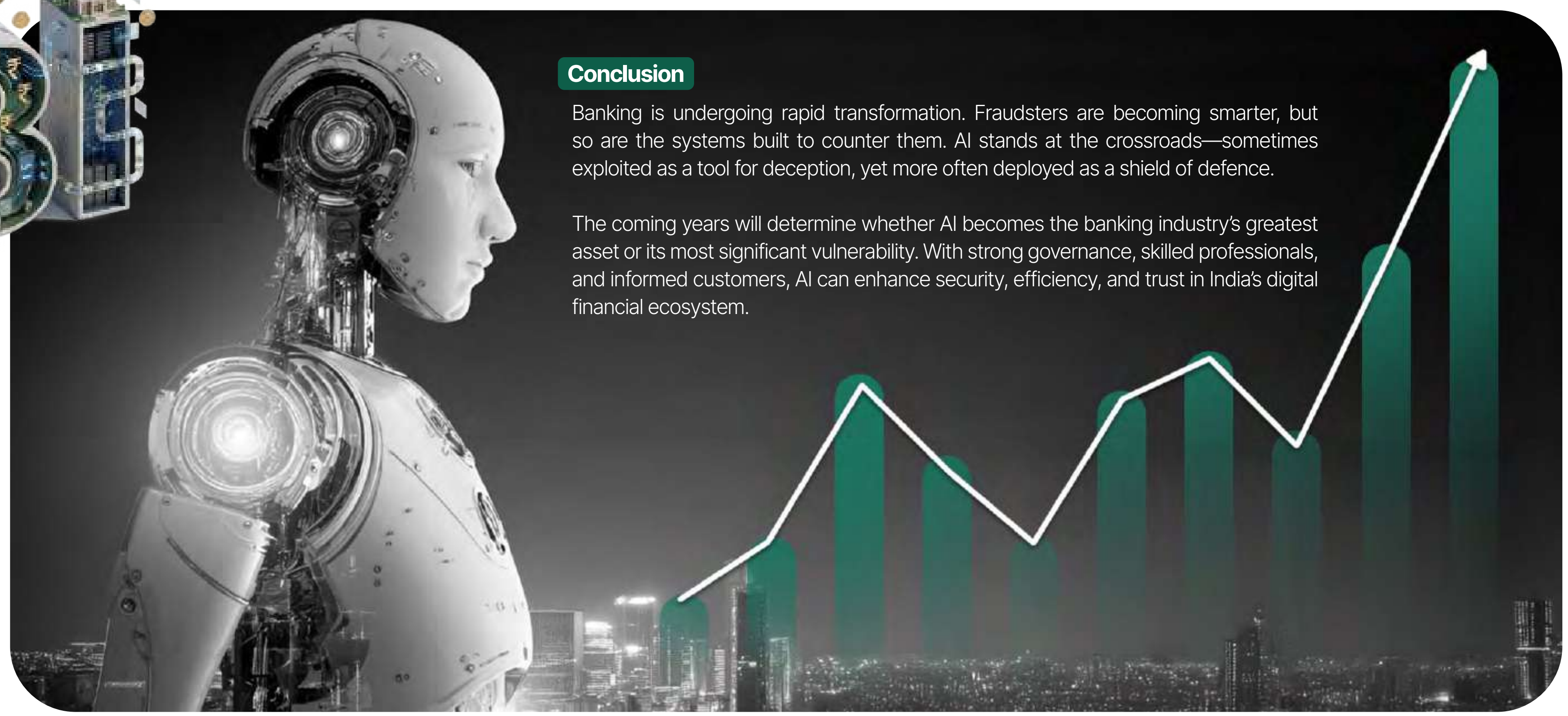
How DPIP Works

DPIP aligns with the Digital Personal Data Protection (DPDP) Act, 2023. It operates on a zero-trust model with secure encryption, role-based access controls, and end-to-end data protection. Importantly, customer data remains within institutional boundaries, ensuring compliance while enabling shared intelligence.

The Risk Beneath the Surface

While AI strengthens fraud detection, it also introduces new vulnerabilities. Over-reliance on automated decision-making can lead to bias, false positives, and reputational risk.

Regulators, including the RBI, are increasingly emphasizing explainable AI—ensuring that automated decisions can be audited and justified. Technology alone cannot safeguard the financial system; it must be guided by governance, human oversight, and ethical accountability.



Conclusion

Banking is undergoing rapid transformation. Fraudsters are becoming smarter, but so are the systems built to counter them. AI stands at the crossroads—sometimes exploited as a tool for deception, yet more often deployed as a shield of defence.

The coming years will determine whether AI becomes the banking industry's greatest asset or its most significant vulnerability. With strong governance, skilled professionals, and informed customers, AI can enhance security, efficiency, and trust in India's digital financial ecosystem.

Reskilling Bankers for the Digital Future: Workforce Transformation in India's Banking SectorEmployees

Rajendran

The Indian banking sector is undergoing one of the most significant transformations in its history, with Rapid digitalisation, Artificial Intelligence, and fintech innovation. Traditionally, banking jobs focused on branch operations, manual documentation, cheque processing, and relationship-based services. Today, the same roles demand digital literacy, data understanding, and the ability to operate technology-driven platforms. The shift is not merely about learning new software—it is about adapting to an entirely new way of working.

The rise of digital banking channels has significantly reduced dependence on physical branches. Simultaneously, the adoption of Artificial Intelligence and automation has changed operational processes.

The profile of a successful banker is changing rapidly. Earlier, product knowledge and manual processing skills were sufficient. Today, banks are seeking professionals who combine financial expertise with digital capabilities.

According to RBI Payment System Indicators (FY 2024–25), digital channels dominate India's transaction ecosystem

Category	*Digital Channels*	*Branch Banking / Paper Banking*
No of Transactions	22,831 Crore	55 Crore
Transaction Value	Rs 3,509 Lakh Crore	Rs 86 Lakh Crore
Value Share in %	97.60%	2.40%

This comparison clearly demonstrates that more than 98% of transaction volume now flows through digital channels, reducing teller-based workload and manual processing roles.

The Need for Reskilling

In many banks, 60–70% of employees are working in branches. With digital dominance increasing, an important question arises: do banks need employees in the future to handle Cash, Payments, Customer service, Operations & Sales in the Retail branches?? The answer is still YES. Banking in India remains relationship-driven and trust-based. Customers still seek human interaction, emotional connection to avail services, products, and financial guidance. Banks need employees to communicate the products effectively with the support of technology.

Again, the Question is - do banks have a skilled workforce to meet the Digital Future? The answer is "No". Industry studies indicate that only around 30% of India's BFSI workforce is digitally ready. What about the remaining 70 % of the employees? They are still living in manual banking. It's a bigger threat to the Banks in future. Though technology has become the backbone of modern banking, employees remain as their most important asset. Is there a Solution for this? YES- "The Best solution is Reskilling Bankers for the Digital Future". 'Reskilling' refers to upgrading the skills of the employee capabilities to meet current digital requirements through 'Structured Training'.

Challenges in Workforce Transformation

Despite rapid digital growth, many banking professionals are not fully prepared for the transition. Employees may feel uncertain about automation and artificial intelligence. Further, heavy workloads restrict time available for learning and development. Additionally, banks may face infrastructure challenges in delivering large-scale digital training across branches for a long-term learning.

Strategic Training Approaches

To address these challenges, banks are adopting innovative training strategies. Many institutions have established internal digital academies, Virtual labs and simulation-based training that provide hands-on digital exposure.
Apart from the above strategies, Banks may partner with fintech firms and well-established educational institutions, such as **UNext Manipal Academy of BFSI,** which are emerging as effective solutions.

Quick Stats Recap

Metric	*SBI (PSB)*	*HDFC (Private)*
Customer load per employee	238	48
Deposits per employee	₹ 2.3 crore	₹ 1.2 crore
Branch coverage	22,640	9,143
Employee attrition	Low	≈25%

Industry Example: HDFC Bank's Digital Transition

HDFC Bank provides a practical example of workforce transformation. The bank actively promotes digital platforms such as PayZapp, WhatsApp Banking, xpressway, Net Banking etc. AI-driven tools like "Next Best Action" help employees analyse customer behaviour and recommend suitable products.

The bank has also implemented a "Virtual Banking model" where selected customers are serviced remotely (non-face to face) by trained Virtual Relationship Managers. These professionals use digital platforms and AI insights to handle queries, cross-sell products, and provide advisory services without requiring customers to visit branches.

Digital onboarding through applications like Smartapp, insta app and Video KYC has further streamlined processes. Employees are trained to use scripts, data analytics, and AI-based recommendations to enhance engagement and improve conversion rates. This reflects the future direction of retail banking roles in India.

Conclusion

Modern bankers must move beyond traditional tasks such as, cash handling, and manual account servicing. Instead, they must acquire digital payment troubleshooting skills, platform operations knowledge, cybersecurity awareness, AI-assisted selling techniques, and customer digital onboarding expertise.

Future banking professionals must therefore combine technical competence with interpersonal skills to deliver high-quality customer experiences.

The digital future of banking is not just about apps, algorithms, and automation—it is about people who can effectively use these tools. **Reskilling bankers is no longer optional; it is essential for survival and growth.** By building a digitally empowered workforce, Indian banks can strengthen service quality, enhance financial inclusion, and support the country's broader economic ambitions.

Money Mule Scams: How Ordinary People Become Unwitting Criminals

Digital banking has revolutionized financial transactions in India, offering speed, convenience, and transparency. However, alongside these advancements, cybercriminals have developed sophisticated mechanisms to exploit vulnerabilities within the system. One of the most alarming trends is the rise of money mule networks—schemes that draw ordinary individuals into laundering illicit funds.

Case Study: CBI Investigation on Prowl

On June 26, 2025, The Times of India reported that the Central Bureau of Investigation (CBI) uncovered nearly 850,000 mule accounts spread across approximately 700 bank branches nationwide. These accounts were allegedly used to launder proceeds from cyber fraud.

Key findings included

- Widespread violations of Know Your Customer (KYC) norms
- Use of forged or manipulated documents to open accounts
- Possible collusion involving intermediaries and bank officials

The investigation revealed the systemic and organized nature of mule account operations, underscoring how deeply embedded such networks can become within the financial system.

Who Is a Money Mule?

A money mule is an individual who allows their bank account to be used for transferring funds obtained through scams, phishing attacks, digital arrest frauds, online gaming rackets, or other cybercrimes. In many cases, the individual may believe they are performing legitimate work—such as processing payments or assisting in online transactions. In other cases, the participation is deliberate, motivated by promises of quick income.

Regardless of intent, the act constitutes participation in money laundering, which is a punishable offense under Indian law.

How People Become Money Mules

Cybercriminals use psychological manipulation and deceptive recruitment strategies to target vulnerable individuals. Common pathways include:

- Advertising "easy online jobs" or "work-from-home" opportunities
- Requesting bank account credentials for supposed salary transfers
- Offering commissions for receiving and forwarding funds
- Exploiting students, unemployed youth, or financially distressed individuals

Once the funds move through the mule's account, the original criminals disappear, leaving the account holder exposed to investigation and prosecution.

Risks and Consequences

The repercussions of acting as a money mule are severe:

Legal Liability

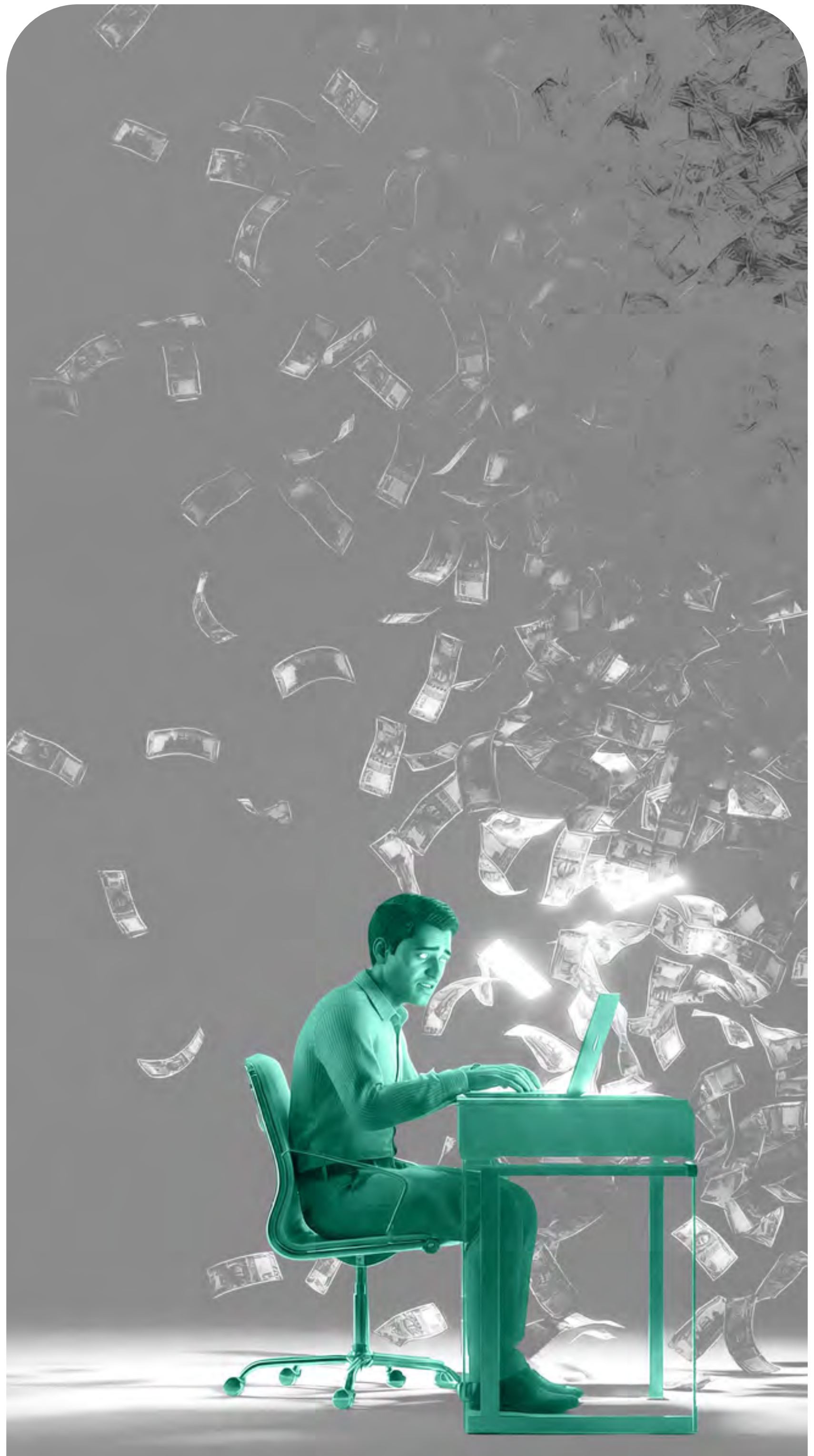
Money laundering and facilitating financial fraud can result in criminal prosecution, fines, and imprisonment.

Banking Restrictions

Accounts linked to suspicious activity may be frozen. Individuals may be blacklisted from future banking services.

Personal and Professional Damage

A tainted financial record can affect employment prospects, creditworthiness, and long-term financial stability.



Regulatory Response: RBI's Strengthened Measures

Recognizing the growing threat, the Reserve Bank of India (RBI) has reinforced its regulatory and supervisory framework. Key measures include:

- Stricter KYC and customer due diligence norms
- Enhanced Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) monitoring
- Increased scrutiny of high-risk and suspicious transaction patterns
- Mandatory reporting of suspicious activities by banks

MuleHunter.AI: Technology as a Shield

To combat mule networks more effectively, the RBI introduced MuleHunter.AI, an advanced fraud-detection system powered by Artificial Intelligence and Machine Learning.

Key capabilities include

- Detecting suspicious accounts with 85–90% accuracy
- Identifying approximately 20,000 mule accounts per month
- Flagging tens of thousands of suspicious accounts through predictive analytics

By analysing transaction behaviour, fund flow patterns, and network linkages, MuleHunter.AI helps banks identify mule accounts proactively .

Why MuleHunter Matters

The system plays a vital role in

- Preventing large-scale cyber fraud
- Curtailing illegal online gambling and terror financing
- Protecting legitimate customers from indirect exposure
- Strengthening public confidence in digital banking

The RBI works closely with financial institutions and the Indian Cyber Crime Coordination Centre (I4C) to ensure swift responses to emerging threats.

The Way Forward

Money mule scams demonstrate how ordinary individuals can inadvertently become part of organized criminal ecosystems. The CBI's findings highlight the scale of the challenge, while RBI's AI-driven initiatives reflect a proactive regulatory response.

However, technology alone is insufficient. Public awareness campaigns must educate citizens about the dangers of sharing account details, accepting suspicious transfers, or engaging in seemingly harmless financial tasks. Financial literacy, digital caution, and regulatory vigilance must work together.

As India continues its digital transformation, safeguarding trust in the financial system is paramount. By combining regulatory oversight, technological innovation, and citizen awareness, India can ensure that digital banking remains secure, resilient, and inclusive.

Reshmi S

Counting from 1 to 100

We all start our careers as greenhorns and then progress to varying degrees of competence. I started as a PO in a relatively busy rural branch of a commercial bank four decades ago. I was a clean slate when it came to accounting. As for knowledge of banking, it was restricted to occasionally accompanying my mother to the bank where she maintained an account.

I reported to the branch on the joining date in the morning and met the Branch Manager. After I completed the customary joining formalities, he told me that I would start working straightaway - handle savings accounts of customers and oversee cash after the close of business hours. He gave me a 15-minute rundown on how to pass cheques. I did not understand what overseeing cash meant. I thought I would figure it out a little later. With this, I was let loose on the customers. I made a mental sequence of the steps involved in passing cheques and got down to the job. The problem with such a mechanical approach is that it can come unstuck at any time.

My first four hours, contrary to my expectation, went off without me causing any issues! During lunch, I wondered how I would oversee cash. I found out soon. The cashier had neatly stacked all the cash in the cash cabin. He explained that the cash was in packets of 100 notes and that he had counted them. And then came the shocker. I was to do the recounting! When I said I had never done this, he showed me how notes are counted, skilfully using his thumb and forefinger. The more I watched him, the more I was convinced that this was beyond me. 'This will take a lot of time,' I said. 'You have time,' he pointed out, and added, ' If there is a mistake, let me know.' With sympathy for my right hand, I started the uphill task. It was slow and painful, and I often felt I was back in primary school reciting numbers from 1 to 100. Many packets gave me hell. In one case, I counted 5 times, and not once did I get 100! You guessed right, there was actually no mistake. The Branch Manager came around after some time, maybe guessing that I would be at my wits' end and gave a helping hand. This assistance from the Branch Manager or senior branch staff continued as my cash-counting skills gradually improved.

Now, let me turn to how I was shaping up in handling savings accounts. To my surprise and that of others, the entire first week went off without any mishap. I started the second week feeling I was getting into the groove. I quickly learnt past performance does not ensure future performance! The day started with a steady stream of customers, but it quickly turned into a deluge. My colleague in the savings account was up to the challenge. He entered the cheques into massive, heavy ledgers that contained the financial details of account holders in double quick time and kept moving the ledgers toward me. There was no way I could match him in speed. In the time he handled four ledgers, I barely managed one. I had to pass on the cheques to the cashier for payment. That was not happening. Things came to a halt. I could not even see the enterprising savings account colleague as he had built a wall of those ledgers between us. The customers peered at me, perhaps wondering why I had chosen banking as a career. But they did not yell. I had no clue how to clear the mess I had created. And then came unexpected help. One of the experienced hands, seeing my plight, bravely got into the fray. He cleared the ledgers rapidly, while I continued my work at snail's pace. There was an audible sigh of relief all around. And the good Samaritan colleague moved back to his workplace before I could even thank him!

Perhaps it was a different era when there was less emphasis on time. The generosity of customers and colleagues helped me not just get through a difficult day but also go beyond that. Instead of losing heart, I made a career in banking.

Sampath Sarathy

Insurance buzz

Spotlight on Innovative Activities in the Insurance Vertical

The Insurance Vertical is elevating learner engagement through experience-based activities aligned with Bloom's Taxonomy. Key initiatives like Swasthya Utsav and Swasthya Bima Mela empower students to simplify complex health products for their peers through interactive drives.

Creative expression took center stage with Rangashree, a student-compiled virtual short film, and Rangmanch, a live drama illustrating insurance as a financial lifeline. Competitive spirit peaked during Bima Gyan Chakra, a high-stakes quiz testing technical expertise. Led by Prof. Srinivas ESNB and Prof. Suma R., these initiatives successfully bridge the gap between classroom theory and real-world application, fostering confident, future-ready professionals.

Campus Buzz

HDFC Future Bankers Program

The HDFC Future Bankers Program recently inaugurated Batch B-38 at the UNext Manipal Academy of BFSI, marking another milestone in its mission to develop industry-ready professionals. With over 3,000 lives impacted across 30+ batches, the program emphasizes financial expertise, integrity, and customer-centricity.

Students gained invaluable insights from senior Zonal Heads on ethical leadership and regional growth. Beyond academics, the cohort participated in a blood donation drive and CSR initiatives with Aaron's Nest, reinforcing the program's commitment to social responsibility. Ultimately, Batch B-38 continues the tradition of bridging ambition and achievement, shaping bankers driven by both performance and purpose.

Spreading Smiles: Building Community Through Joy

In collaboration with NGO Aaron's Nest, the campus hosted a CSR initiative that highlighted empathy and inclusiveness. Cultural performances and a magic show brought students, faculty, and staff together, strengthening relationships and fostering a sense of belonging. The initiative underscored that successful teams are built not only on performance, but on human connection and shared purpose.

The HDFC Future Bankers Promise

The HDFC Future Bankers Program continues to bridge ambition and achievement through comprehensive training and leadership exposure. As Batch B-38 progresses, the program remains focused on shaping professionals who believe success is defined not only by performance, but by purpose and positive impact.

Abhijit Bhattacharya, ICICI Bank's Head of Talent Acquisition & HR Technology, visited the ICICI Manipal Academy on December 22, 2025, to assess program efficacy and engage with learners. During the visit, he reviewed skill-building initiatives with CEO Amrish Sinha and faculty, emphasizing digital transformation and empathetic leadership.

A highlight was the "Customer 360" simulation, where learners demonstrated life-cycle-based financial solutions, earning high praise for practical application. The visit concluded with an interactive session where Bhattacharya shared personal experiences and the bank's cultural anchors. This engagement significantly strengthened the industry-academia partnership, motivating students as they transition into bank-ready professionals.

ESG Environment, Social and Governance : An insight for future

Prof. Sarath Vellat

Introduction

A business operates in manufacturing, trading, or service sectors. The growth, expansion, and diversification of these enterprises play a vital role in strengthening the economic foundation of any country.

In today's world, businesses are expected to perform more than just make profits. They must also act responsibly towards the environment, society, and uphold strong governance.

ESG standardises the framework, which regulates and measures a company's long-term sustainability, ethical practices, and risk management intertwined in financial performance.

Investors, regulators, and consumers assess companies by their ESG performance as a strong measure and future viability of its existence. Strong ESG practices build trust, reduce risk, and drive long-term value:

Let's decode ESG bit-by-bit

A. What ESG stands for?

Environmental

How a business impacts and protects the planet (e.g., pollution, carbon footprint, energy use, waste management, etc).

Social

How a business treats people (e.g., employee welfare, community support like CSR activities, labour practices, etc).

Governance

How a business is managed (e.g., ethics, transparency, board structure, shareholders rights, etc).

B. What ESG emphasises on:

Risk Management

- Identifies non-financial risks like pollution, labour issues, or poor governance.
- Helps avoid regulatory penalties, lawsuits, and reputational damage.

Investor Confidence

- Investors prefer ESG-compliant companies for ethical and stable returns
- ESG scoring influences access to capital and stock valuations.

Regulatory Compliance

- RBI, SEBI, and global regulators are mandating ESG disclosures.
- Mandatory Business Responsibility and Sustainability Reporting (BRSR) in India.

Sustainability & Growth

- Encourages responsible resource use, employee welfare, and transparent leadership.
- Builds long-term brand trust and customer loyalty.

Global Reputation

- Enhances the company's standing in international markets
- Enables participation in global ESG funds and indices.

C. ESG practices enables Banks & NBFCs to:

- Responsible lending
- Green financing
- Financial inclusion
- Transparent governance.

Banks and FIs in India adopt multiple ESG guidelines such as:

Environmental (E)

- Green Loans & Bonds:
- Banks offer loans for solar power, EVs, green buildings, and renewable energy projects.
- Paperless Banking:
- Promoting digital transactions and e-statements to reduce carbon footprint.

Social (S)

- Financial Inclusion & Welfare
- MSME & Women
- Entrepreneurs
- Employee Well-being: Training, diversity, safety, and whistle-blower policies etc.

Governance (G)

Ethics & Transparency
- Strong Board Oversight:
- Independent directors, audit committees, and transparent reporting.
- Code of Conduct & Compliance:
- Zero tolerance for fraud or insider trading.
- Cybersecurity & Data Privacy:
- Governance over IT risks and digital platforms.

Banks and FIs with strong ESG practices attract more investors, comply with RBI & SEBI mandates and build long-term trust with customers and stakeholders.

Methodology of ESG ratings in private & nationalized banks

In India, several accredited agencies and global firms provide ESG ratings for both private and nationalised banks. These agencies assess banks based on environmental practices, social impact, and governance structure. Here are the key ones:

- CRISIL (India) Offers ESG scores for Indian companies, including banks. It uses industry-specific and sectoral ESG metrics
- ICRA (Moody's affiliate) provides ESG assessments based on global and local frameworks.
- India Ratings & Research (Fitch Group) offers ESG scores as part of broader financial ratings. It covers systemic and non-financial risks linked to ESG.
- Care Edge Ratings (formerly CARE Ratings) launched its ESG rating services for Indian corporates including banks and focuses on Indian regulatory and sustainability expectations.
- BRSR (Business Responsibility and Sustainability Reporting) under SEBI is mandatory for top 1000 listed companies (many banks are also included).

RBI guidelines on implementation of ESG in Banks & NBFCs

Though RBI has not issued any master circular on ESG, however a few relevant documents and announcements regarding disclosures norms reflect the central bank's evolving stance and draft frameworks.

- RBI issued a "Framework for Acceptance of Green Deposits" for banks and NBFCs, effective from June 1, 2023.
- RBI released a "Draft Disclosure Framework on Climate-related Financial Risks" applicable to regulated entities.
- Surveys and commentary show that RBI is planning more ESG-related guidelines for banks.

While leading nationalised banks and private sector banks are moving towards ESG practices, there is no fully published official dataset that covers all PSBs and the extent of their ESG integration.

Embedding the Entrepreneurial Mindset: A Key Differentiator in Banking Behavioural Skills

Satish Jha

The banking industry today is more dynamic and competitive than ever. With rapid digital advancements, heightened customer expectations, and an emphasis on efficiency and performance, behavioural skills have become just as important as domain knowledge. Among these behavioural competencies, the entrepreneurial mindset is emerging as a powerful differentiator - one that blends ownership, accountability, initiative, and resilience to enable professionals to thrive in demanding environments. In the context of banking, where trust, precision, and customer-centricity are paramount, this mindset is no longer optional; it is essential.
The entrepreneurial mindset does not imply starting a business. Instead, it refers to a way of thinking that encourages individuals to take responsibility for outcomes, think proactively, innovate within their roles, and handle challenges with resilience. Professionals who demonstrate this mindset create value through their attitude and actions, regardless of their job title.

My own journey illustrates the transformative power of this approach. I began my career with Countrywide Consumer Financial Services Limited, a GE company, as a Business Development Executive in a third party outsourced role.

Coming from a small town to Chennai brought its own set of challenges - a new language, a new culture, and new expectations. However, consistent performance and commitment drew the attention of the Senior Management, who offered me an unexpected opportunity - to start a Sales distribution franchise funded by the company and repayable over three years. This made me the first entrepreneur in my family.

Running this business for six years exposed me to real-world lessons that no classroom alone could teach - how to take calculated risks, how to bounce back from setbacks and how to manage outcomes with complete accountability. This phase shaped my thinking profoundly. Even after returning to a salaried role, I carried with me an entrepreneurial approach.

One key philosophy that stayed with me is that the first entrepreneurial venture anyone undertakes is building their personal brand. Unlike traditional enterprises, this does not require financial capital - it requires human capital: discipline, accountability, continuous learning, and the determination to deliver excellence consistently.

Relevance to Training for Banking Professionals

At Manipal Academy of BFSI, we hold the responsibility of shaping future banking professionals. Our programs build strong technical, functional, and behavioural capabilities. However, the fast-evolving banking ecosystem calls for the intentional integration of the entrepreneurial mindset into our learning framework. While aspects of this thinking naturally surface in modules on sales, customer experience, and behavioural skills, the entrepreneurial mindset approach is yet to be recognised as a structured component by the Banking fraternity in their training module. This presents a significant opportunity.

Banks today seek individuals who can think beyond instructions, take ownership of customer outcomes, manage ambiguity, and act responsibly under pressure. Embedding entrepreneurial thinking into our teaching approach will help learners transition from being task executors to being proactive, accountable professionals .

Our existing modules offer ample touchpoints to introduce and reinforce this mindset:

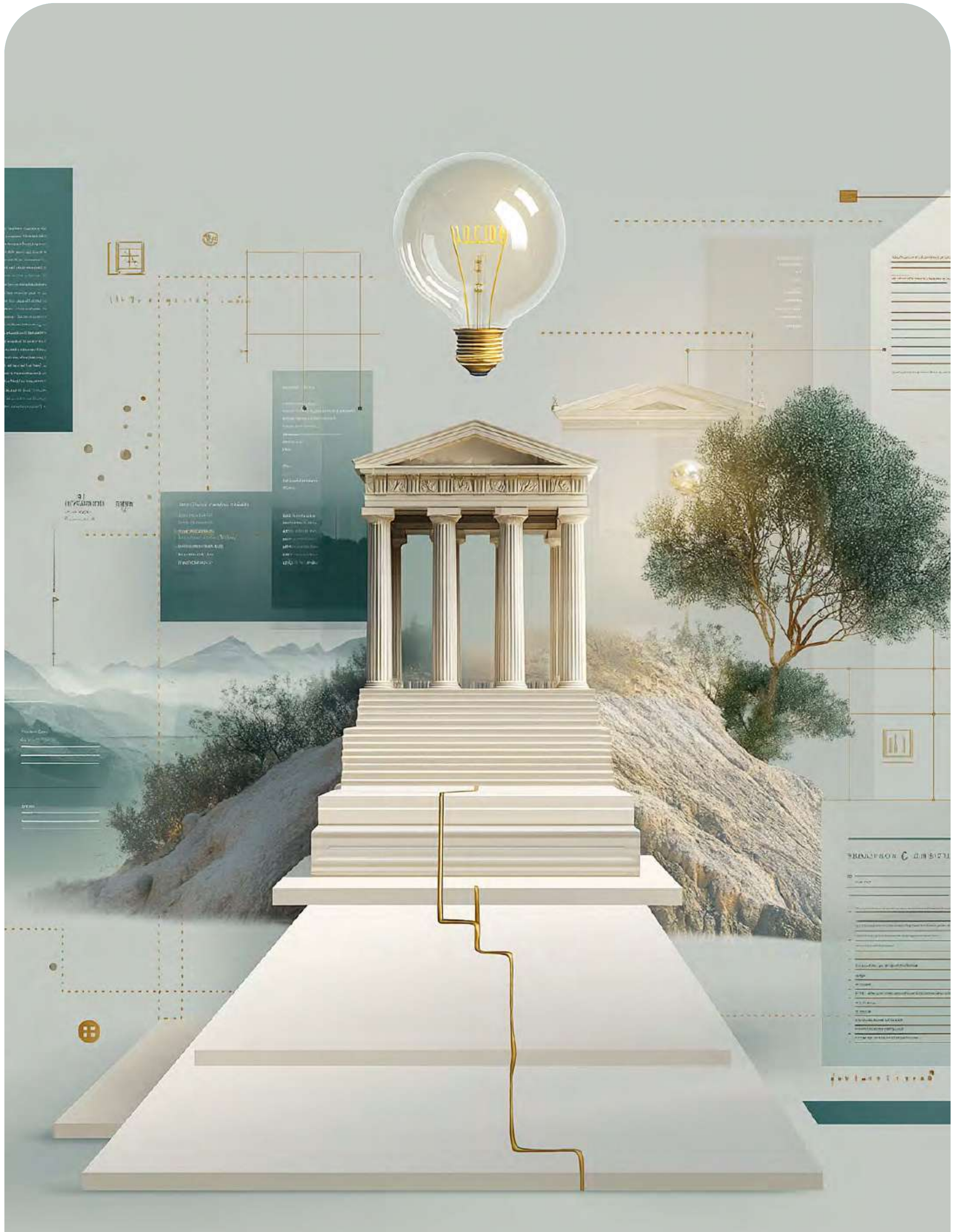
- Sales and Customer Handling modules can build initiative, responsibility, and the ability to identify value-creation opportunities.
- Banking Operations and Compliance provide the perfect context to emphasise decision-making accuracy, risk awareness, and ownership—qualities that mirror entrepreneurial thinking.
- Behavioural Skills and Professional Development sessions offer opportunities to coach learners in personal branding, communication, ownership, resilience, and self-management.
- Role-plays, case studies, and simulations mimic real-world scenarios where learners can make decisions, face outcomes, reflect on mistakes, and grow—effectively replicating the entrepreneurial learning cycle.

By intentionally embedding this mindset, we prepare learners not just for their first job but for a lifelong career in banking. It enhances their employability, builds adaptability, and strengthens their ability to handle uncertainty - traits that banks increasingly value in a competitive landscape.

Conclusion

The entrepreneurial mindset is becoming a vital behavioural differentiator in the modern banking environment. It equips individuals with the ability to think independently, act responsibly, and continuously grow .For learners at our academy, developing this mindset early can reshape the way they approach their careers, customers, and challenges.

As faculty, we have a powerful role to play in integrating this thinking into our modules and classroom interactions. By encouraging learners to build "Me Pvt. Ltd."- their own personal brand - we would help them cultivate accountability, initiative, and excellence. This is not just a skill set; it is a mindset that empowers them to thrive in an increasingly competitive banking world.



Content Creation: A Valued and Cherished Experience

In UNext we are committed to bring excellence in our continuous journey of introducing and nurturing young minds into the big dynamic world of banking, an industry that's looming large and promising to the fresh graduates and post-graduates aspiring to pursue their career in banking.

In our pursuit to keep up to our commitment, there is a strong emphasis on the 360-degree development of the learners joining the institute encompassing various aspects like knowledge enhancement, development of inter-personal skills, communication skills, and nurturing essential etiquettes for building relationships with clients.

Content creation is a journey that starts with designing a curriculum based on the outcome that a particular program is designed to achieve. What starts with a framework is built into a minutely detailed scope of studies through a series of transformations before it reaches a final stage that can be offered and executed.

The entire curriculum is segmented grouping topics under different subjects that are logically phased out to start with the basic ones that gradually lead to the intense and specialized ones only to give the learners a wholesome experience of scaffolded learning- from the simple to the complex, from learning the alphabets to being able to frame complicated sentences.

The role of content is absolutely core in any curriculum- good content that transforms the list of topics into a meaningful learning experience that empowers the learners to face the real world of complex customer expectations. Each content is carefully weaved with clear learning objectives, curated in the form of storytelling, well-crafted to capture the learners' attention and sustain interest.

Storytelling enthralls, it has the power to engross and drive the concept in the minds of the learners in a manner that's lucid and everlasting and ensures clarity. Storytelling in content is weaved through real-life examples and case-studies from the real world of banking that are engaging, thought provoking and outcome based, programming the learners into critical thinking, helping the learners to connect better and making learning feel relevant and alive.

Activities in content have a major role to play in converting theory into practical learning, in transforming the classroom absorptions into active engagement. Activities are crucial in developing cognitive skills, thinking capability and executing the passive learning into real-time experience. For example, learning the process of account opening becomes much more effective through the activity of dummy account opening. Activities keep the attention of the learners arrested and compel them to stay mindfully invested.

Role Plays are a major game changer as it simulates real-life conversations and gives the learners a sneak-peak into different kinds of client interactions that range from developing a need into the client to selling a product post an effective objection handling. Role Plays sharpen comprehending and communication skills, analyzing and solutioning skills. For example, playing the role of a Relationship Manager would require him to act in a particular scenario which would require him to analyze the financial needs and goals of an individual and offer financial solutions accordingly.

Assessments form a very important part of any curriculum as they act as a measure of how much the learners have gained knowledge, how many skills they have developed and what are the values they have acquired and at the end how much they are ready for the industry to face the real-life challenges. While content imparts knowledge, assessments verify the outcome. Questions designed in sync with Bloom's Taxonomy test their capability at remembering, understanding and applying level and reinforce the need for further improvement in areas the learners lag. Assessments not only cater to the need of testing the progress of the learners, but it also acts as a measure for the content developers and curriculum designers to make necessary modification in the curriculum for better outcomes.

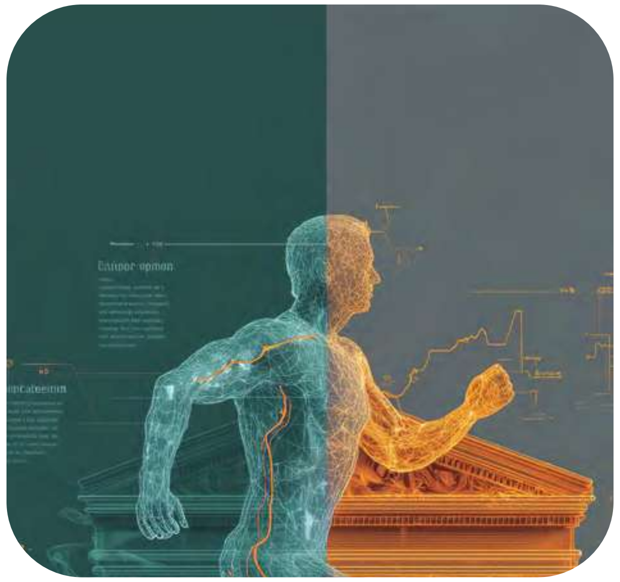
According to Steve Jobs: "Design is not just what it looks like or feels like, but how it works." In the context of content development in UNext Manipal Academy of Banking, content is dynamic, open to receive and incorporate value adds from the client to stay relevant and aligned to the industry dynamics. It is an honest endeavour to make young learners ready to hit the ground with honesty and integrity and a positive attitude and a cheerful outlook.

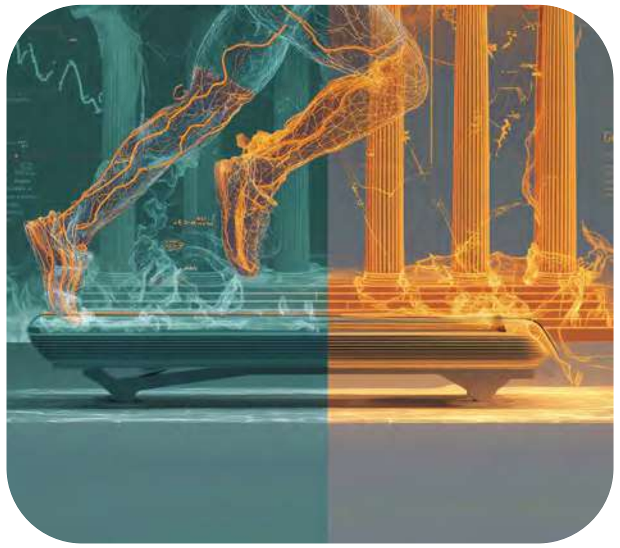
Payel Bhadra Kar

Fit Bodies, Fit Banks: Why Fitness Matters More Than We Think

When we hear the word fitness, most of us visualise running shoes, flexing our muscles in the gym, that one yoga mat we bought with great enthusiasm or sweating and chiselled bodies. But fitness is not just a human concern. In the banking industry, "fitness" is defined as — financial strength, operational efficiency, regulatory compliance, and adaptability. Surprisingly, the principles that keep a person healthy are strikingly similar to what keeps a bank stable and trustworthy. According to legendary banker, KV Kamath- "If you want to compete with big banks, you should build the muscle power". The example he used to quote – If you must compete in heavy weight category you should build the muscle power.

SKV Prasad





Human Fitness:The Foundation of Performance

For individuals, fitness is about resilience — the ability to handle physical and mental stress without breaking down. A fit body develops energy, focus, and emotional balance. The one who exercises regularly is bound to recover faster from fatigue, manage stress better, and stay productive longer. The resilience differentiates a sprinter from a marathon runner. Both need different skill sets, endurance and resilience.
Think of your body like a bank account. Every workout is a deposit; every unhealthy habit is a withdrawal. Skip the fitness routine for a month, and your "balance" drops. Try climbing a flight of stairs after that, and your lungs protest, the Knees don't co-operate. My philosophy is daily work out is an SIP!!

Banking Fitness: Stability in a Risky World

Banks' fitness refers to financial health, governance, and risk management. A "fit" bank maintains adequate capital, strong internal controls, and efficient systems and of course a trained manpower. Regulators often conduct stress tests — a common term used is a TMT- Tread Mill Test — to ensure institutions can survive economic shocks or run downs.
Imagine a bank that ignores risk management the way some people ignore leg day at the gym. Everything may look impressive at first — flashy branches, aggressive lending — but one financial downturn later, the imbalance shows. Just as weak legs make a body unstable, weak compliance structures make a bank vulnerable to crises.

Discipline and Routine: The Shared Secret

Discipline is important for both humans and banking fitness. For a human, it means consistent workouts and healthy eating. For a bank, it's regular audits, policy reviews, and monitoring systems. There are umpteen apps in the market to track the human fitness, viz., Strava, Google fit to name a few. Likewise, the daily MIS reports at banks measures & tracks the bank's performance on daily basis.

Consider the analogy of a diet plan versus a credit policy. If you cheat occasionally, you might survive. But if you turn every meal into a cheat day — or every loan into a risky gamble — the consequences could be bad. Banks that chase short-term profits without proper governance is equal to someone living on junk food: The adage "Short germ gain- long term pain" is relevant here.

Adaptability: The New Definition of Fitness

Modern fitness is not about strength; it's about flexibility and adaptability. Humans adapt through learning new skills, improving mental health, and embracing lifestyle changes. Similarly, banks must adapt to digital transformation, cybersecurity threats, and evolving customer expectations. Experts say health is completely different from fitness. Both are equally important.

Warning Signs: When Fitness Fades

Human bodies send signals when they're unfit — Weak knees, slow stride fatigue, stress, or health issues. Banks also show warning signs: rising non-performing assets, declining customer trust, or regulatory penalties. Overlooking these signals is a sure shot recipe for disaster.
A relevant comparison: skipping annual health checkups is like a bank ignoring its internal audit report. Everything feels "fine" until one day you discover the problem is bigger than what meets the eye — whether it's a lipid profile or a compliance gap.

The Bigger Lesson

In the final analysis, fitness, whether human or institutional, is about sustainability. A fit person can pursue his goals better than a disoriented one, just as a fit bank can face headwinds with confidence. So, whether you're managing your heartbeat or a balance sheet, the rule is the same — stay fit today so you don't struggle tomorrow.

Reel-a-thon

Capturing Campus, One Reel at a Time

The campus of Manipal Academy of BFSI recently turned into a creative playground as students participated in the first edition of the Reel-a-thon, a content creation challenge designed to celebrate storytelling in the age of short-form video.

Working in teams, students conceptualised, shot, and edited Instagram-style reels that captured moments from campus life. From light-hearted takes on student experiences to glimpses of learning and friendships, the entries reflected the vibrancy and spirit of the campus.

Armed with smartphones and creative ideas, participants transformed familiar spaces into film sets, experimenting with transitions, music, and storytelling styles. The event brought an infectious energy across the campus as teams collaborated to bring their concepts to life within a limited time.

The Reel-a-thon concluded with a showcase of the best reels, celebrating creativity, teamwork, and the unique perspectives of students at the academy.

Campus Buzz

IDBI Campus Buzz

Over the past six months, IDBI Batches 20 and 21 have distinguished themselves not only through academic excellence but also through exceptional engagement in co-curricular and extracurricular initiatives. A remarkable 17 campus activities were conceptualized and executed during this period—an achievement that reflects the dynamism of our learners and the exemplary leadership and coordination of the Program Leaders.

ASLI Expo

Among the many initiatives, the ASLI Expo (Asset & Liability Expo) set the tone for innovation and collaboration. Designed around the theme "Go Green – Go Digital," the exhibition provided a vibrant platform for learners to present IDBI's asset and liability products with creativity and confidence. The auditorium came alive as students leveraged AI-powered avatars and interactive displays to engage visitors from multiple verticals. Their ability to articulate product features and respond to queries with clarity and enthusiasm was widely appreciated. Beyond its academic relevance, the Expo also served a larger purpose—proceeds raised during the event were directed toward funding a Corporate Social Responsibility (CSR) initiative, reinforcing the spirit of responsible leadership.

BUDQUEST

Another flagship initiative was BUDQUEST, our annual inter-vertical competition jointly organized by the Central Bank of India & IDBI verticals. Focused on emerging Budget trends and their strategic implications, the event fostered analytical thinking, teamwork, and cross-functional collaboration. BUDQUEST continues to be a signature platform that sharpens financial acumen while strengthening inter-vertical engagement.

IDBI learners secured the second position in the BUDQUEST competition, demonstrating commendable analytical skills and teamwork.

JOY OF GIVING

The calendar year concluded on a deeply meaningful note with the CSR initiatives UDAAN and UMAR under the umbrella of "Joy of Giving." On December 26 and 29, 2025, students visited an orphanage and an old-age home, contributing their time, resources, and compassion to bring comfort and happiness to the residents. The experience was profoundly moving, leaving a lasting impact on both the beneficiaries and the participants, and reinforcing the values of empathy and social responsibility.

BLOOD Donation Camp

Continuing this spirit of service, a Blood Donation Camp was organized on February 14, 2026, in collaboration with Jayanagar Voluntary Blood Centre, with enthusiastic participation from IDBI and Central Bank of India verticals. The event witnessed an impressive footfall of 500, resulting in the collection of 314 units of blood—the highest to date. The meticulous planning and seamless execution exemplified a collective commitment to a noble cause.

Together, these initiatives highlight a culture of leadership, innovation, and social consciousness that defines IDBI Batches 20 and 21.

Panel Discussion On

Union Budget 2025-26

At ICICI Manipal Academy

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Panel Members

Ms. Meena Herle
Deputy Director, IMA Vertical

Ms. Rajashri Pillai
Associate Dean, IMA Vertical

Ms. Gaurav Sanyal
Deputy Head of Department, IMA Vertical

Moderator
Ms. Vijaya Vanitha
Faculty, IMA Vertical

Ms Vijaya Vanitha started with a brief narration of the history of Budget in India and spoke on how the Budget 2026 is forward looking and has focussed on growth, infrastructure expansion, tax simplification, manufacturing self-reliance, and social inclusion, while maintaining fiscal discipline and boosting digital and green transitions.

Ms Meena higlighted on the proposals in the areas of Economic Roadmap, Manufacturing, Industrial hubs & MSME segment and how the same would assist in the objective of Vikasit Bharat.

Mr Gaurav gave his views on Infrastructure , Financial Markets & Health Services.

Proposals of Agriculture, Direct Tax Regulations, Customs & Trade, were discussed by Ms Rajashri.

The trainees had submitted over 200 queries on Budget 2026 the previous day, most of which were addressed during the course of the session.

The discussion was closed by the moderator with the observation that the Budget has pushed for resilience to drive long-term, equitable, and sustainable growth. She also highlighted on the importance of the Budget takeaways for the Aspire trainees who would get the opportunity to contribute to the economy, in the coming months.

Ms. Meena Herle

Campus Buzz

Gaurav Sanyal

TAPMI–Bengaluru & MAB's First Knowledge Exchange Session Marks a Promising Beginning

In a significant milestone for academic collaboration within the Manipal ecosystem, **TAPMI–Bengaluru hosted its first-ever knowledgeexchange session in partnership with the Subject Matter Experts (SMEs) of Manipal Academy of BFSI on 11th February at MAHE,Yelahanka campus.** The session, delivered by **Mr. Gaurav Sanyal, HOD, ICICI Manipal Academy** centred on an increasingly relevant theme: "Career Opportunities in the BFSI Sector."

What was envisioned as a onehour interaction organically evolved into a highenergy, twohour dialogue, reflecting the immense curiosity and engagement of the participating students. The audience comprised secondyear BBA learners and members of TAPMI's Finance Club—students preparing to take their first steps into the professional world.

The session provided a comprehensive overview of the Banking, Financial Services, and Insurance (BFSI) landscape. Drawing insights from industry trends, talent demand forecasts & evolving career tracks. The discussion aimed to give students both clarity and direction. The presentation touched upon opportunities across general management, specialized verticals, and the rapidly expanding techanalytics domain—highlighting how the next decade (2025–2035) is expected to be a talentintensive era for BFSI roles.

What truly distinguished the session was its interactive spirit. Students actively posed questions, shared their aspirations, and sought guidance on certifications, skill pathways, and lateral mobility. Their enthusiasm not only extended the session but also enriched it, turning it from a lecture into an inspiring conversation about future possibilities.

The organising team at TAPMI–Bengaluru shared warm feedback, noting:
"Students texted that the discussion was insightful, and we truly appreciate you sharing your experience and perspectives."

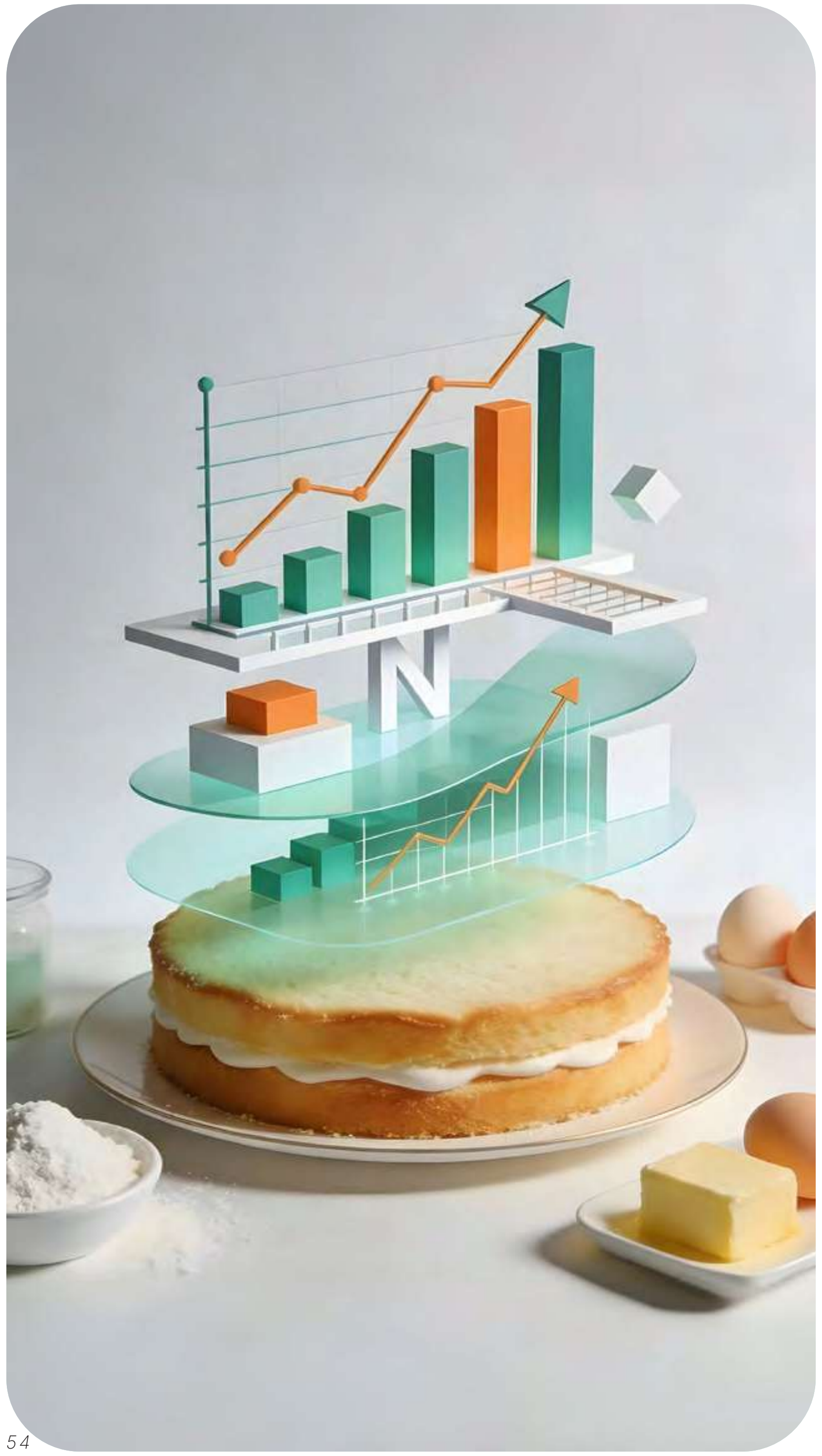
This initiative marks the beginning of many such academic exchanges aimed at bridging classroom learning with industry readiness. As Unext Manipal Academy of BFSI continues strengthening its knowledgesharing partnerships, collaborations like this demonstrate how collective expertise can empower learners to navigate the dynamic BFSI landscape with confidence.

This initiative also reflects the synergy between UNext MABFSI, a leading BFSI talent developer and TAPMI, Bengaluru in enabling young learners make career decisions in the BFSI space.

From Baking a Cake to Banking on Dreams:

Just One Letter, Infinite Possibilities

Suchita Guha



The other day, I found myself doing something delightfully unfamiliar: baking a cake for my toddler. The kitchen, unsurprisingly, turned into a creative disaster zone. Flour dusted the counter, tiny handprints appeared where they shouldn't have, and a pair of watchful eyes silently conveyed a clear instruction: **"This better be chocolate." Less a request, more a mandate.**

As I measured ingredients—while negotiating spoon-licking rights with a very serious junior critic—a quiet thought crept in.

Baking. Banking.

Just one letter apart.

That letter?

"N"

Somewhere between eggs and sugar, my banker's brain switched on. **What could "N" stand for? Numbers? Nurture? Negotiation? N number of possibilities? Or perhaps—nurturing dreams until they rise.**

Before I could explore the idea further, reality intervened. At that moment, my toddler's review mattered far more than any metaphor. Still, the thought stayed with me. The next day, as life returned to its familiar rhythm—office, meetings, school runs, deadlines—I casually shared this odd reflection with a friend over lunch. She smiled and said, "You should write about this."

So, here I am—trying to pen down a moment that began with a cake and somehow led me straight back to banking.

The Cake Recipe (A Banking Interpretation)

Flour is Capital	It gives structure. Without it, nothing stands.
Eggs are Trust	They bind everything together unseen, until missing.
Butter is Liquidity	It keeps things smooth. Too little dries, too much distorts.
Sugar is Optimism	Not essential to survive, but vital to grow.
Baking Powder is the Growth Catalyst	Small in measure, powerful in impact—like credit.
Salt is Risk Management	Invisible when right, obvious when absent.
Oven Temperature is Market Conditions	Even the best recipe fails in the wrong environment.

Same Ingredients, Different Counters

In baking, everything starts with the basics—flour, eggs, butter, sugar. In banking, the fundamentals are just as critical—**capital, trust, discipline, timing, and judgment.** Miss one ingredient in either, and the result is... well, not quite worth serving.

Timing: The Skill No One Can Skip

You can't rush a cake and you can't rush a banking decision.
Open the oven too early, and the cake collapses. Skip due diligence, and so does the portfolio. Baking teaches patience. Banking demands it.
Good things do come to those who wait—but only if they are doing the right things while waiting understanding cash flows, assessing business models, and asking uncomfortable questions.

Heat Changes Everything

Ovens are hot. Markets are volatile. Both are unavoidable. But heat isn't the enemy—it's the transformer.
Dough becomes cake. Potential becomes progress. The real skill lies in knowing **how much heat, and for how long**. That's where experience matters—whether it's rotating baking trays or restructuring credit exposure.

Failures Are Part of the Recipe

My first cake? Let's just say my toddler politely ate around the edges.
My first banking deal? Equally unforgettable—for all the wrong reasons.
But failures teach. Burnt cakes teach temperature control. Weak banking decisions teach stronger appraisal and sharper vigilance.
As Thomas Edison said, ***"I have not failed. I've just found many ways that won't work."***
True in kitchens. Truer in Banking.

Final Crumb

Coming back to that one letter

In baking, it's **Nurture.**
In banking, it's **Numbers.**
In life, it's **N number of possibilities.**

The cake turned out well. My toddler approved—high praise by any standard. And as I watched that smile, it struck me:

Baking feeds the stomach.
Banking feeds aspirations.
Both, in their own way, feed hope.

Different tools. Same heart. And sometimes, all it takes is one extra letter to remind us that what we do, when done with care, can rise beautifully.

Substituting Trust with Banking Assurance: The LC Mechanism.

Sujith U K

Indian businesses often encounter situations where opportunities are viable, but large upfront cash outflows become a constraint. In international trade especially, suppliers may insist on advance payment, while importers prefer to preserve working capital. This is where banks step in—not by immediately lending funds, but by lending credibility.
A Letter of Credit (LC) is one of the most important non-fund-based instruments that enables trade without immediate fund deployment.

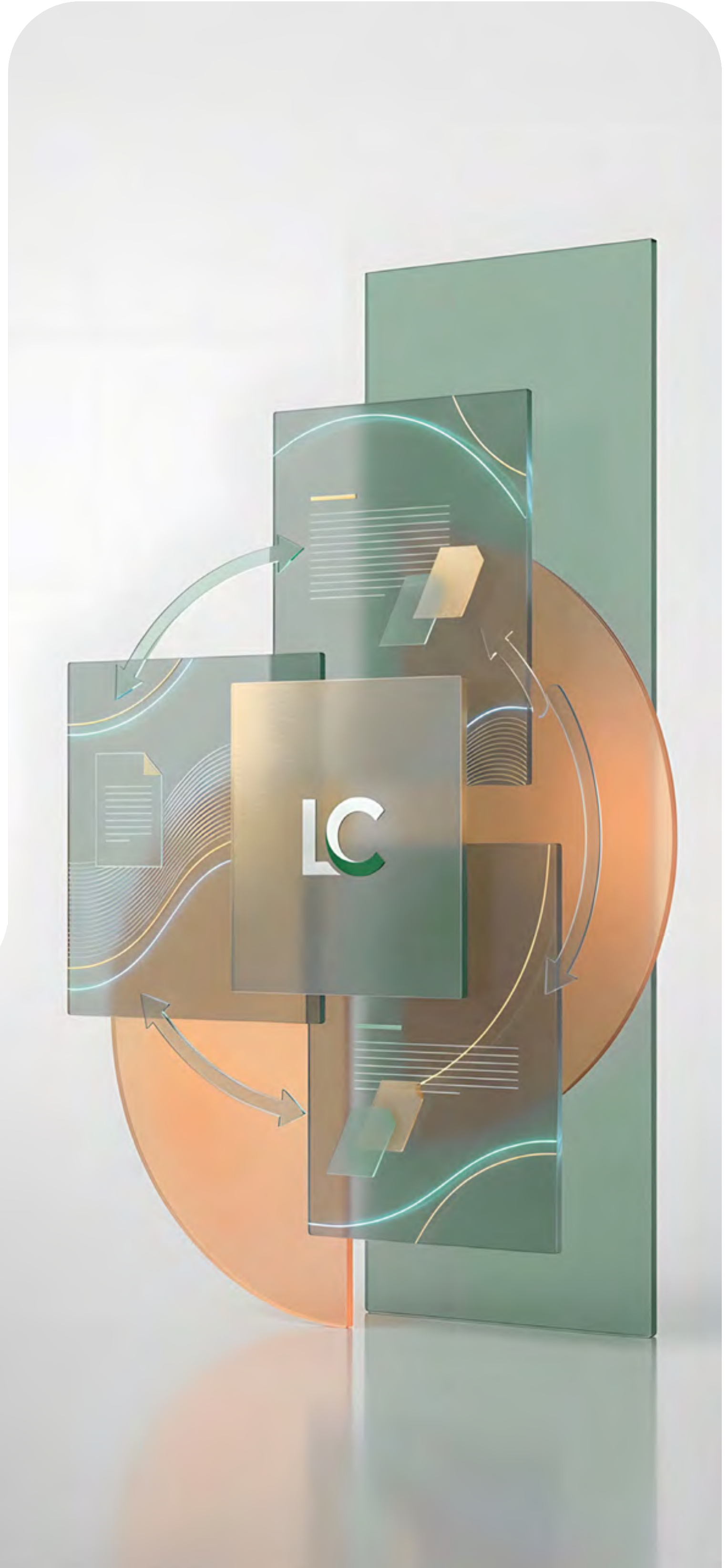
What is a Letter of Credit?

In simple terms, a Letter of Credit is an irrevocable undertaking by the importer's bank to make payment to the exporter, provided the exporter submits documents strictly complying with the terms and conditions of the LC.

Unlike loans, an LC does not involve an upfront disbursement of funds. Instead, it creates a contingent liability for the bank. The primary liability to pay the amount under the LC is that of the bank issuing the LC and not the importer or buyer. Payment arises only when documents are presented in compliance of terms and conditions.

Why is an LC Required?

Consider an Indian importer purchasing machinery worth USD 1 million from Germany. Both parties operate in different geographies and legal systems. The exporter is unsure of the importer's creditworthiness, and the importer does not wish to block working capital through advance payment.



Does LC help to solve this trust gap?

From the exporter's perspective

- Payment risk is replaced by the creditworthiness of the bank.
- The bank's undertaking becomes legally enforceable.

From the Importers perspective

- No immediate cash outflow
- Payment is made only after shipment and document compliance
- Working capital is preserved.

Regulatory Framework – UCP 600

Letters of Credit are governed globally by the rules framed by the International Chamber of Commerce, known as UCP 600 (Uniform Customs and Practice for Documentary Credits). UCP 600 consists of 39 articles defining the rights and obligations of all parties in an LC transaction. The most important principle underlying the LC is that the payment depends on documentary compliance and not actual performance or quality of the goods. The LC is an independent payment undertaking by the issuing bank, separate from the underlying sales contract.

Parties to a Letter of Credit

In a typical international LC transaction, the following parties are involved:

Applicant – Importer

Beneficiary – Exporter

Issuing Bank – Importer's bank

Advising Bank – One of the correspondent banks of the issuing bank that authenticates and advises LC to exporter

Confirming Bank (optional) – One of the correspondent banks of the issuing bank that confirms the payment in addition to issuing bank.

Reimbursing Bank – Bank maintaining issuing bank's Nostro account and which reimburses the negotiating/nominated bank.

Negotiating/Nominated Bank – Pays exporter against the complying documents.

Except for the issuing bank, rest of the banks are in the country of the beneficiary/exporter. One bank can perform multiple roles depending on arrangements and pricing.

Role of correspondent banks in international trade

International trade depends heavily on correspondent banking relationships. A correspondent bank represents the Indian bank at an offshore location. The correspondent banking relationships between the banks are established through an arrangement called RMA (Relationship management agreement).

The basic functions of correspondent banks are:

- Authenticate LC
- Confirm payments
- Advise beneficiaries
- Settle funds

Without correspondent banks, cross border trade would not function efficiently.

Conclusion - Substituting trust with structured assurance

At its core, a letter of credit does not eliminate risk- it redistributes and manages it. The bank issuing a letter of credit substitutes the commercial trust between two trading parties with the institutional credibility of a regulated bank. The exporter is no longer dependent on the financial strength of a distant buyer. The importer is no longer compelled to block valuable working capital through advance remittance. The bank, through its irrevocable undertaking, becomes the pivot round which international trade rotates. As global trade evolves with digitisation, electronic presentations, and blockchain-based trade platforms, the foundational principles of the LC continue to remain unchanged: independence, irrevocability, and documentary compliance.

The Glass Ball & Rubber Ball Moment: A Reflection for Learning Professionals

Thara Nanjundappa

It was just past 5:20 p.m. The trainees had already dispersed, the training hall stood empty, and the last few cabs were lining up outside. As I shut my laptop and reached for my bag, the corridors felt unusually quiet. At that moment, my colleague Sriranga walked in, focused intently on his laptop, still finalising an MIS report even as the day drew to a close. His eyes remained fixed on the screen, fingers moving quickly—clearly determined to complete "just one more task" before leaving.

I smiled and said, "I'm heading out. I don't want to miss the cab today—I've promised my daughter an evening walk and an ice cream treat." He glanced up briefly, then returned to his screen. "Lucky you. I told my son I'd play with him today. Maybe tomorrow."

There was a pause. Then he said quietly, "Work will always be there, won't it? But these moments… they don't wait."

That was my Glass Ball & Rubber Ball Moment.

The report he was working on could wait. It would still be there tomorrow. But the walk with his son, like my walk with my daughter, belonged only to today. It was a quiet reminder that while work deadlines often behave like rubber balls that bounce back, relationships and moments with our loved ones are glass. Once dropped, they may never return in the same form.

As facilitators, we spend considerable time equipping trainees to manage priorities, meet targets, and perform under pressure. Yet moments such as these remind us that one of the most meaningful lessons we can offer is the ability to distinguish between what is urgent and what is irreplaceable.

We often visualise life as a juggling act. In the air are many balls—work, targets, health, relationships, family, aspirations, self-respect. We keep them moving, believing we must never let any fall. What we rarely recognise is that these balls are not made of the same material.

Some are rubber balls. If they fall, they bounce back. A missed deadline. A delayed presentation. A poor sales month. Some are glass balls. If they fall, they crack—or shatter. Health. Trust. Relationships. Ethics. Family. Self-worth.

The risk lies not in dropping a ball, but in mistaking a glass ball for rubber. In high-performance environments—particularly in banking and financial services—everything feels urgent. Targets, reviews, audits, customer escalations, and reporting cycles create a rhythm where speed and availability are rewarded. Over time, professionals begin to treat every demand as equally critical. Everything becomes "now." Everything feels non-negotiable. Yet the human body, the mind, and relationships do not operate on quarterly cycles.

This is where the Glass Ball & Rubber Ball Reflection becomes especially powerful in training contexts. It invites a pause through a few simple yet profound questions:

- What am I juggling right now?
- Which of these are truly glass?
- What am I treating as glass that is actually rubber?
- What am I quietly dropping every day?

When this metaphor is introduced in a classroom, there is often a visible shift. Notes pause. Postures change. Attention deepens. The concept does not register as theory—it resonates as lived experience.

Every professional recognises these internal negotiations:

- "Let me finish this task; I'll eat later."
- "I'll schedule my health check-up after this batch."
- "Family can wait until this cycle is over."
- "I will bend the rule—just this once."

And then, months or years later, the cost becomes apparent.

The impact of sustained pressure on mental well-being is no longer anecdotal; it is measurable.

Indicator	Key Insight	Source
Global workplace stress (WHO)	Stress is now a leading contributor to illness and reduced productivity	World Health Organization Mental Health at Work - Fact Sheet, 2024
Burnout prevalence (Gallup)	Nearly 44% of professionals report feeling burned out "often" or "always"	Gallup. State of the Global Workplace Report, 2024-25
Impact on performance	Chronic stress reduces decision quality by up to 50%	Systematic Review: Workplace Stress & Productivity, 2022
Absenteeism & attrition	Poor mental well-being is a major driver of attrition in high-pressure roles	Employee Well-Being Studies, 2023
Recovery time	Emotional exhaustion takes significantly longer to recover from than physical fatigue	WHO / ICD-11 - Occupational Burnout Classification, 2023

These indicators convey a simple truth: when glass balls are dropped repeatedly, the damage may not be immediate—but it is inevitable. For bankers, the metaphor carries particular relevance. The profession is built on trust: a customer's faith in the institution, a regulator's confidence, a team's belief in its leader.

Trust is a glass ball.
So is integrity.
So is health.
So are the relationships that sustain us through market fluctuations and career transitions.

Targets, however demanding, are often rubber balls. They fall, bounce, and return in another form. Reports can be revisited. Numbers can be improved. Opportunities recur.
But a broken relationship rarely does.
A damaged reputation is difficult to restore.
A neglected body keeps its own account.

The Glass Ball & Rubber Ball Moment is not about lowering ambition. It is about ***calibrating priority***. It teaches that excellence does not require self-erasure.

In one session, a trainee reflected, "I believed being professional meant always saying yes. I now realise it also means knowing what to prioritise."

That realisation represents leadership in its earliest form.

When professionals learn to distinguish between glass and rubber, they begin to plan rather than panic, set boundaries without guilt, make conscious trade-offs, and perform sustainably rather than heroically. They move away from constant emergency mode.

They become calmer decision-makers, more empathetic leaders and more grounded professionals.

Later that evening, I sent a quiet message to Sriranga:

"Head home. Today's report is a rubber ball. Your son is glass."

The message was simple, but it carried everything that moment had taught me.
He replied, "Already on my way. How about you?"
I smiled and typed back, "Enjoying walk with my daughter."

Growth rarely begins with a grand resolution. More often, it starts with a pause. A quiet question. A moment of clarity.

New Program Launches

Chola MS

The LENS – Leadership Essentials for New Supervisors

The LENS – Leadership Essentials for New Supervisors Program at Cholamandalam MS General Insurance brought together managers for an intensive two-day behavioural and leadership development journey. The program focused on building core managerial capabilities through modules on understanding self, managerial communication, leadership styles, the art of delegation, and stress management, making it a truly distinctive initiative for emerging leaders.

The program was inaugurated with inspiring words from senior leaders including **Mr. Amit Prakash Tiwari, Senior Associate Vice President & National Head - Partnership Distribution; Mr. Sajai Sadanandan Palaparambil, Head – Business HR; and Mr. Premkumar R, National Sales Training Manager**, who encouraged participants to lead with self-awareness, empathy, and a strong sense of accountability as they step into their new managerial roles.

KVB BSSE AND BSSM PROGRAM

Building the Frontline: Launch of BSSE & BSSM Capability Programs

The Induction Training Program for Branch Sales & Service Executives (BSSE) and the Empower Branch Sales and Services Manager (BSSM) Program was launched marking a significant step in strengthening frontline banking talent of Karur Vysya Bank Ltd. The BSSE batch, comprising fresh graduates at the start of their careers, will focus on customer acquisition across assets, liabilities, third-party products, and operational roles.

The induction journeys for BSSE and the BSSM cohort of Karur Vysya Bank Ltd were formally inaugurated in an inspiring ceremony. The occasion was graced by **Mr. Immanuel Gnanaraj Daniel, CHRO**, whose address encouraged participants to embrace continuous learning, agility, and a customer-first mindset as they begin their next professional chapter.

With a blend of experiential learning and expert-led sessions facilitated by Manipal Academy of BFSI, learners were equipped with the knowledge, confidence, and right attitude to excel in their roles and contribute meaningfully to the organisation's growth.

SIB Upskilling Program

The 3-day Upskilling Program at South Indian Bank was designed to enhance both functional and behavioural competencies of participants. The program combined a focused credit session with behavioural skills modules covering general management, presentation skills, and negotiation and influencing techniques to help professionals effectively engage and win corporate customers.

Through this integrated learning approach, participants gained practical insights, sharper communication abilities, and stronger managerial perspectives equipping them to deliver greater value in their roles and drive business outcomes.

Yes Bank Ltd.

Enhancing Vigilance: Digital Frauds Identification Workshop for Liability Operations

The Liability Operations – Digital Frauds Identification Workshop at Yes Bank Ltd was conducted to strengthen operational vigilance and risk awareness among backend teams. Designed for professionals handling processes and account activation, the program focused on proactive operations, compliance reinforcement, and fostering a customer-centric mindset in liability operations.

Through practical discussions and scenario-based learning, participants were sensitised to emerging digital fraud risks and equipped with the right approaches to safeguard processes, enhance service quality, and uphold operational integrity.

PNB-Branch Heads Program

A focused capability-building initiative was conducted for incumbent Branch Heads of Punjab National Bank, aimed at strengthening their effectiveness in banking sales, NPA and recovery management, and leadership excellence. The program brought together seasoned leaders to sharpen their strategic thinking and execution capabilities in a rapidly evolving banking landscape.

The learning journey covered critical themes such as driving branch business performance, nurturing a customer-centric culture, lead generation, credit sourcing, and achieving branch performance excellence. Equal emphasis was placed on operational and compliance efficiency, leadership and decision-making, and preparing leaders for the future of digital banking.

Priority Sector Lending: From compliance to commitment

Vinay Vijayan

Introduction: A regulatory wake-up call

In a recent supervisory action in January 2026, the Reserve Bank of India (RBI) directed HDFC Bank to make an additional one-time standard provision of ₹500 crore after certain agriculture-sector-related loans were found to be misclassified as Priority Sector Lending (PSL).

Similarly, ICICI Bank was asked to provide ₹1,283 crore as a one-time additional provision for comparable mismatches identified during regulatory reviews.

These actions underline a clear regulatory message: meeting PSL targets is not sufficient unless the classification and end-use of loans strictly adhere to prescribed guidelines. The emphasis is now firmly on accuracy, transparency, and borrower-level accountability.

Priority Sector Lending: The concept

Priority Sector Lending (PSL) has long been a cornerstone of the Indian banking system, ensuring that credit flows to sectors critical for inclusive economic growth, such as agriculture, MSMEs, education, housing and weaker sections. The latest PSL guidelines, which replaced the erstwhile RBI PSL Directions, 2020, came into effect from 1st April 2025. Every commercial bank, including Regional Rural Banks (RRBs), Small Finance Banks (SFBs), Local Area Banks (LABs) and Primary Urban Cooperative Banks (UCBs) have to follow the PSL guidelines even though the targets vary from 40-75% of their Adjusted Net Bank Credit (ANBC).

Non-achievement of PSL targets

All banks (excluding UCBs) reporting a shortfall in PSL vis-à-vis the prescribed target/sub-targets shall be allocated amounts for contribution to the Rural Infrastructure Development Fund (RIDF) and other funds with NABARD/NHB/SIDBI/MUDRA Ltd., as decided by the Reserve Bank from time to time.

Why was the change needed?

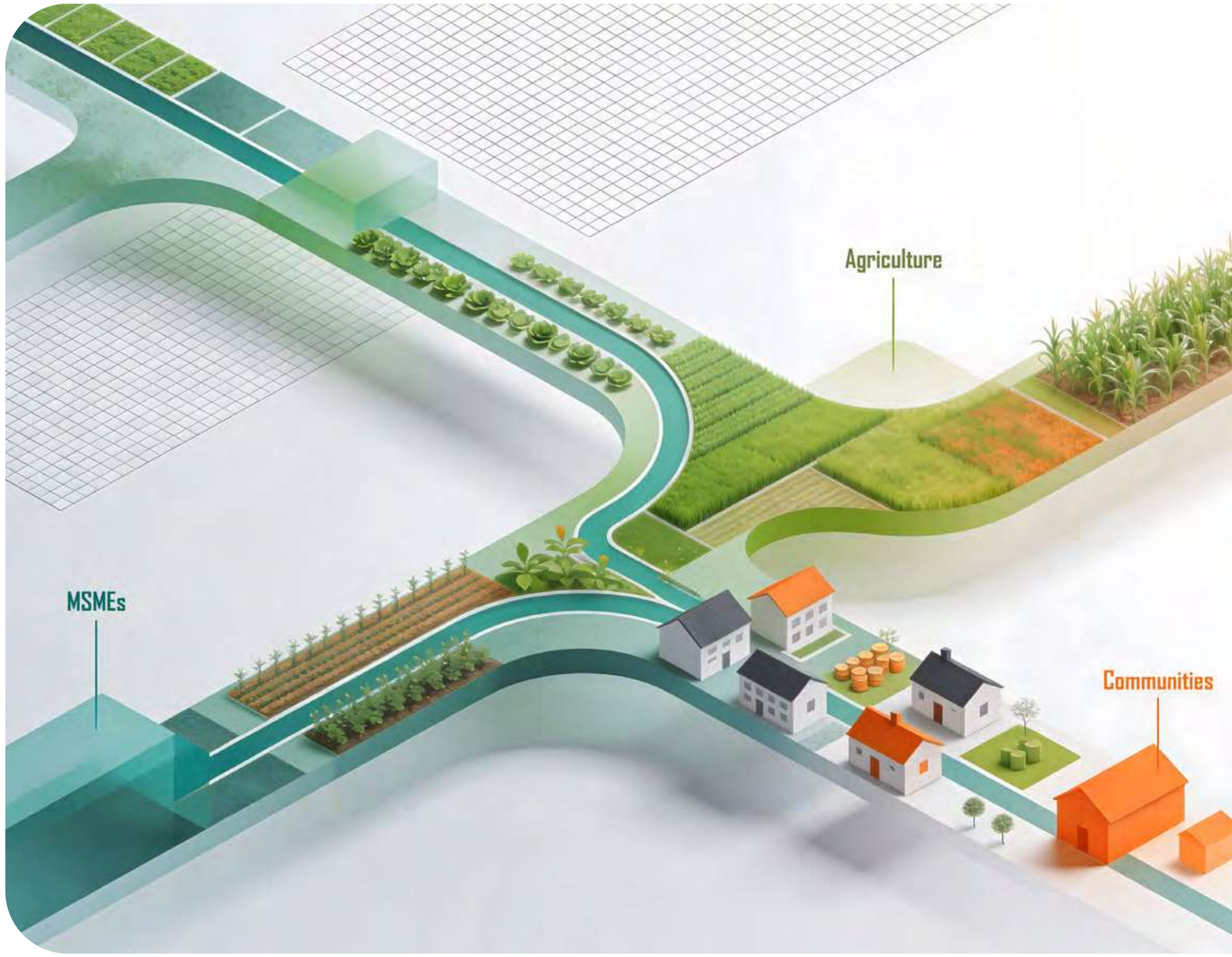
While the headline PSL targets have remained unchanged for years, recent regulatory developments indicate a clear shift in how these targets are expected to be achieved.

In January, the Reserve Bank of India (RBI) revised the PSL framework with an emphasis on direct lending and stronger accountability at the borrower level. The objective is not to expand PSL volumes, but to improve the quality, transparency and genuineness of PSL compliance.

Under existing norms, banks are required to lend 40% of their Adjusted Net Bank Credit (ANBC) to priority sectors. While the banking system has comfortably exceeded this threshold—with PSL forming over 43% of ANBC—the route taken to meet these obligations has increasingly relied on indirect mechanisms such as:

- On lending through NBFCs,
- Securitisation and co-lending arrangements, and
- Purchase of Priority Sector Lending Certificates (PSLCs).

Although these instruments are permitted, over-reliance on intermediaries has diluted direct borrower engagement and, in some cases, led to misclassification and double-counting of loans.



Non-achievement of PSL targets

The revised PSL framework sharpens the focus on how banks meet their targets:

Greater emphasis on direct PSL lending

Banks are encouraged to originate, monitor and service priority sector loans themselves rather than depending heavily on NBFCs and other intermediaries.

Limits on on-lending

On-lending remains capped at 5% of total PSL, nudging banks toward direct and co-lending routes where borrower-level visibility is stronger.

External auditor certification

A significant new requirement is external auditor validation of PSL classification. This move is aimed at preventing misclassification, multiple loans to the same borrower being counted repeatedly, and category overlap.

Regulatory Signals are clear to the banks

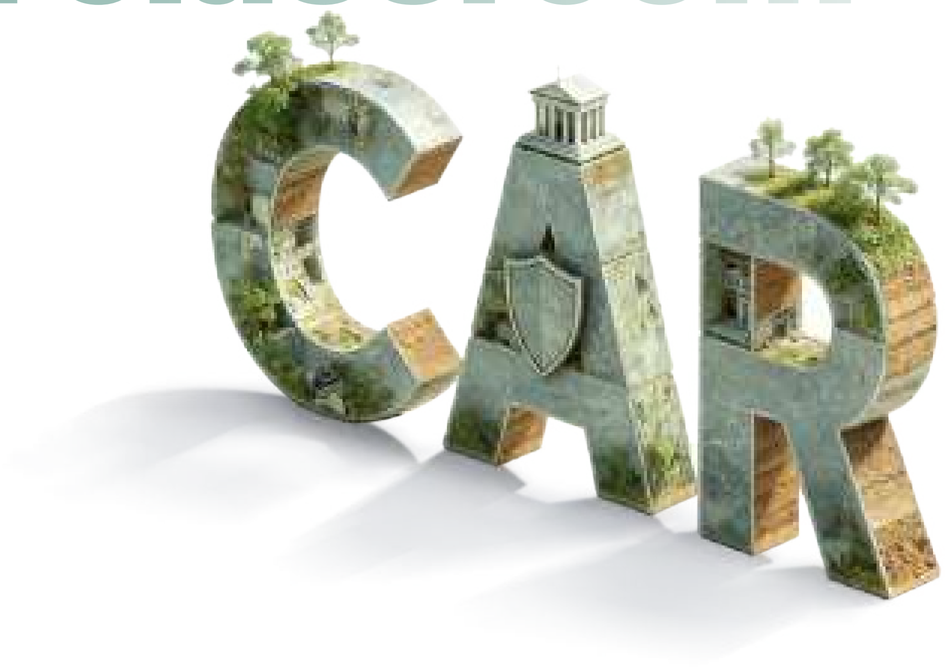
Recent supervisory actions—where leading banks were asked to make one-time additional provisions due to gaps in PSL classification—underline the regulator's intent. PSL is no longer viewed as a box-ticking exercise, but as a development mandate requiring diligence, documentation and accountability.

The Bigger Picture

India's PSL book now exceeds ₹65 lakh crore, with MSME and affordable housing loans forming a substantial share. Ensuring that this massive flow of credit genuinely reaches intended beneficiaries is crucial for sustainable economic growth.

The latest RBI measures signal a clear message to banks: **Priority Sector Lending must move from structured compliance to meaningful commitment.** Direct engagement with borrowers, robust internal controls and transparent classification will define the next phase of PSL in Indian banking.

U-Quest in classroom



Capital Adequacy Ratio

Capital Adequacy Ratio (CAR) is a vital health measure for banks. It measures a bank's available capital against its "risk-weighted assets" to ensure it can absorb a reasonable amount of loss before becoming insolvent. Assets or loans are assigned weights. Think of it as a financial safety net that protects depositors and keeps the global economy stable.

The Core Formula

The ratio is calculated by dividing a bank's capital by its risk-weighted assets (RWA):

CAR = Tier 1 Capital + Tier 2 Capital / Risk-Weighted Assets

- **Tier 1 Capital:** Core equity and disclosed reserves (the most reliable funds).
- **Tier 2 Capital:** Supplementary capital, such as revaluation reserves and hybrid instruments.
- **Risk-Weighted Assets:** Not all assets are equal. A loan to a government is weighted at 0%, while a loan to a high-risk startup might be weighted at 100%.

Why It Matters

Under Basel III standards, banks must maintain a minimum CAR to prevent a domino effect during financial crises. If a bank has a high CAR, it is considered safe and is likely to meet its financial obligations. If it's too low, regulators may have to step in to restrict dividends or force a capital injection. Basel III norms require banks to hold adequate buffers against credit, market & operational risks.

Trivia

The Goldilocks moment

The term was prominently used by **Sanjay Malhotra**, the Governor of the Reserve Bank of India recently. During the Monetary Policy Committee (MPC) meeting in December 2025, Governor Malhotra characterized the macroeconomic situation as a "rare Goldilocks period "i.e things were "just right"—neither too hot (high inflation accompanied by high interest rates) nor too cold (low growth or recession). He noted that the combination of 8% growth and benign inflation allowed the central bank to pivot toward a more neutral and supportive monetary policy.

The term is a reference to the fairy tale **Goldilocks and the Three Bears**, where the protagonist, a curious girl named Goldilocks enters a bears' house, tries their porridge, chairs, and beds, finding the smallest "just right." The bears return, she wakes up startled and flees.

In early 2026, the **Goldilocks** narrative has become the dominant lens through which economists view the global recovery. After the volatility of the mid-2020s, major institutions like the IMF and Citi Research are describing a rare alignment where the world economy is "just right"—resilient enough to grow, but cool enough to finally quell the post-pandemic inflation surge. Despite the optimism, the balance remains fragile. Economists warn of a **"Stagflationary"** outcome if trade tariffs escalate further or an **"Inflationary Boom"** if fiscal spending remains high (too hot for prices).

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