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Future of Jobs

in Financial Services Sector

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Industry Insights

Digitization & Analytics-Accelerating the New Job Ecosystem in the Insurance Sector

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Accelerated technological progress has resulted in increased productivity and enhanced efficiency in prominent sectors like manufacturing, information technology, and the service industry. The Indian Insurance Industry is also experiencing the tidal move towards automation, digitization, and artificial intelligence in a bid to be simpler, more innovative and completely customer centric. The fundamental aim of any insurance company today is to keep the customer at the centre of every decision and every product, so that the solution or service presented to the customer is relevant and helps the customer defy uncertainty in his/her life. Yes, profitability in business and sustainability in growth are essential, but not at the cost of creating confusion in the life of the customer by hiding behind complex processes and financial jargon. Fintechs today are becoming simpler and are constantly innovating to withstand the industry competitiveness by deploying innovative technologies for improved business operations and streamlined processes. The use of digital, analytics and automation technology enables an insurance company to introspect on deeper customer insights and analyze the trends in the market to enhance & design simple and relevant products and services, thus minimizing the costs and improving customer relationship management. Big data analytics help insurers take crucial decisions based on a broader and more relevant pool of the accumulated data and deliver business results in accordance.

Changing times

Till some years ago the insurance industry in India had been relying heavily on paper-based information and work as well as 'static' data. The manual processing and physical compilation of insurance documents like medical reports, proposal forms, customer's financial documents, etc. was common. Automation within the insurance industry stepped up at the end of 90's with the liberalization of the insurance industry. Many insurers, since then, have replaced their paper-based processes by adopting technology with automated workflows which have improved the overall efficacy and proficiency of organizations. 2010 onwards, the insurance sector witnessed a rapid inclination towards technological advancements resulting in digitization, adoption of cognitive computing and analytics.

This is in alignment to the expectation of any buyer today. A digital savvy customer wants a product that is simple/ easy to understand, flexible & available with minimum fuss. Millennials today look for easy online access to products and services, quick policy issuance, lesser turnaround times and advanced services from the insurer. To cater to this target segment, the companies are increasingly focusing on cutting-edge technology for accuracy, a highly personalised customer experience along with flawless automated processes.

Future ready insurer

A future ready insurance company is one that understands where the next competition is going to come from, and is ready to be a disruptor be it via process, products, ease of buying or service experience. Data analytics today is the key to capturing new business opportunities and reshaping successful business models. Technology presents an enormous opportunity to make the most of the untapped market and offer accelerated growth. To stay in the industry and to gain profitability, insurance companies have to reinvent their business operations ranging from the initial stage of underwriting to claims management. In fact, with advanced technology such as data analytics and artificial intelligence, insurers are analyzing and predicting customer's behaviour so as to present solutions and products that are relevant to them individually. For instance, Aviva UK took cognizance of the customer's needs today and developed an innovative Driving App. This app analyzes a driver's driving skills and gives a score, which in turn helps the driver save on the car insurance premium. The safer the driver, the lower the premium, thereby encouraging safer driving and making the customer more conscious of making better decisions in life.

Threat or Opportunity for employment prospects in insurance

Powered technologies like blockchain and artificial intelligence enable insurance companies to foster systems that can take up jobs which earlier required human indulgence and manual processing. With the usage of analytical methods, insurers are looking for a way out not only to automate processes but also decision-making. This transition influenced by the technological elevation raises difficult questions related to the bigger impact on the current jobs and scope of future jobs in the insurance industry. Changing business models due to the adoption of the latest technologies will either lead to new skill sets or new capabilities to be built, which in turn will lead to huge unlearning and relearning for people in the insurance sector. Thus, it is important to recognize the impact that technology, digital and social will have on the employment framework for the insurance sector. As with any material change, new roles and new opportunities will also be created, keeping in mind the fact that people would always need advice.

The two main wheels of employment in the insurance industry are the departments of sales and operations. Majority of a low and medium-skilled population are primarily involved in manual processes, data entry work, sales support, customer services, policy servicing, and other support functions in an insurance organization. With automation and digitization taking priority, this segment of the population is at the maximum risk of a major change vis-a-vis as they exist today. These employees will have to acquire new skills at a rapid pace to stay relevant. For instance, customer care executives are already facing competition from chat bots. Here, while the routine queries would be taken over by the chat bots, the executives will have to evolve their skill-sets in a manner that they are able to provide the right advice and the human touch wherever required, in a digitally enabled/ influenced environment.

The way ahead

To pace up with the changing trends, it is becoming imperative for the workforce to advance their current skills. Job roles that necessitate higher levels of problem-solving skills, innovation, analytical mindset and responsive intelligence along with agility will be the norm going forward. The capability to strategically think and deliver will be the benchmark requirement for the current and future job roles to be relevant and sustainable. For job roles that cannot be fully automated, the companies will look towards flexi hiring methodology, and recruitment based on the specified project. Employment opportunities to handle digital profiles will be on the rise to offer exemplary customer experience. With artificial intelligence, derivation of algorithms to assess the new application for granting insurance based on historical data can also pose challenges to current underwriting approaches and the actuarial profession. For instance, many insurers have come up with automated claims management systems for quick and speedy settlement of claims; and the pricing of products will start to use other uncommon data points.

Thus, one of the main tasks cutout for insurers is to empower and equip their existing workforce with the right wherewithal to be able to tackle these changes effectively. Insurance employers need to invest in the training and development of the employees to develop the skill sets matching the changing need. The requirement to empower the employees to unlearn and re-learn becomes paramount in the face of evolving dynamics and new environments. Employers must appreciate the importance of investing significantly in revolutionary training programs that will enable employees to meet these challenges head on and emerge successfully.

At the same time, employers need to join hands with the Academia and share insights into the kind of skill-sets that need to be developed to take on the new jobs that are being created in this digital first era. A big gap exists between the campus and the corporate world. The kind of education imparted is not holistic in terms of equipping students with the complete wherewithal needed to succeed in today's rapidly evolving offices. The constant technological evolution in every aspect of almost every job description leads to inexperienced fresh candidates being caught off-guard when they face the realities of the corporate offices. Thus, sharing the right expectations and skill sets needed in the corporate world with the academia through knowledge sharing sessions and other media could be the first step in correcting this anomaly.

The idea is to accelerate ahead in the digital race in a manner that is beneficial to everyone - the customers, the employees and the company itself. The purpose of any successful insurance company should be to invest more in innovation to enable foresight in every action plan. Further there is a need to equip talent to be able to experiment and take calculated risks, and thereby encourage them to fail fast and move ahead proactively with better insights. These are the core principles that can propel any organization ahead by igniting sustainable growth for tomorrow.

To conclude, insurance companies have to understand that in order to sustain themselves, and to grow holistically, they have to not only invest in upgrading themselves but also the entire eco-system in which they operate. ■

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Future of Jobs in Financial Services Sector

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Importance of financial services sector

Financial services sector is one of the vital organs of the Indian economy given its sizeable contributions to economic growth and equality. With a contribution of 5.8% to Gross Value Added (GVA)[i], the sector engages a significant chunk of working population in the country. It is also one of the major contributors to external sector revenue as the share of financial services trade printed at 9.2%[ii] of the total services trade of the country in 2016-17 (financial services exports to total services exports @3.1%; financial services imports to total service import @6.1%).

The financial services sector comprises of organisations such as commercial banks, investment banks, development finance institutions, non-banking financial companies, insurance companies, hedge funds, credit-card companies, consumer finance firms, accounting agencies, brokerage firms, cooperatives, mutual funds, new payment banks and small finance banks etc. The sector is dominated by banks in terms of operations, but when it comes to employment, it is the financial intermediary segment that contributes nearly 65%[iii] to the total employment pie of the financial services sector, followed by the banking sector which shares nearly 25% of the pie. As of March 2016, 13.01[iv] lakh employees were employed by All Scheduled Commercial Banks. The third contributor to the employment pie is insurance sector, which employs nearly 2 lakh population in the country[v].

Foreign investment in the sector

Gradual opening up of these sectors (Banking, insurance, pension, commodity exchanges, stock exchanges, depositories, clearing corporations etc.) to the foreign investors have amassed huge inflow of foreign direct investment (FDI) in recent years. The 'zero bound' interest rate in most of the advanced economies coincided with the strong economic performance of the Indian economy, have further intensified the flow of hot money to the economy in the form of institutional investments in both debt and capital markets. This has resulted into further strengthening of our capital markets and ample availability of capital for the corporates at competitive rate.

Technological disruptions in the sector

Recent technological disruptions have made it inevitable for the implementation of artificial intelligence and robotics. This in

[i] *Economic Survey 2016-2017*

[ii] *Economic Survey 2016-2017*

[iii] *http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-jakarta/documents/meetingdocument/wcms_396165.pdf*

[iv] *https://www.rbi.org.in/scripts/publicationsView.aspx?id=17828*

[v] *http://www.indialabourstat.com/labourandworkforce/380987/employmentinorganisedsector/18526/employmentinbankingandinsurance19902017/449728/stats.aspx*

turn has centralised the operations in financial sector and pushed the finance services sector to a platform where Internet is the epicenter. Today's banking has now become technology driven with immense need of analytics and artificial intelligence. Moreover, the financial inclusion initiatives have also led to expansion of the network of the existing players as well as entry of new players is expected to penetrate the market further. New entrants including financial technology firms, payments banks and non-banking financial companies are in favour of using more and more technology, supported by fintech partners. This is posing stiff competition to the existing players. To retain competitive edge, existing players are left with no choice but to invest heavily in digital technologies in delivering an enhanced customer experience at low operational costs.

Job opportunities in banking

As banking is a financial intermediation process and is based on trust, increasing per capita income level has enhanced the need for banking services. This has resulted into a higher demand for transactional banking services. Given cent percent financial inclusion in the country, the scope of business for the financial institutions have increased tremendously in recent years. Apart from opening bank accounts, there are numerous other services these newly boarded customers deserve from the financial institutions. To meet the requirements of this vast customer base, the financial institutions need to well equip themselves with skilled manpower to serve the needs of those unbanked as well as under banked segment.

Job opportunities in other financial services

India has a vibrant capital market. The market capitalisation of the Indian stock market in proportion of the Gross Domestic Product (GDP) have grown from 12.2% in 1990-91 to 99.9%[vi] in 2016-17 (BSE:99.9%, NSE: 98.5%, MSEI:97.3%)[vii]. Similarly, the Indian mutual fund industry is one of the best investment destinations worldwide. The Asset Under Management (AUM) of the Indian MF industry has grown from Rs. 3.26 lakh crore as on 31st March 2007 to Rs.20.59 lakh crore as on 31st August 2017 (16.9% of GDP), more than six-fold increase in a span of about 10 years. India's life insurance sector is the biggest in the world with about 360 million policies[viii]. Insurance sector has been a notable employment generator including associated professionals such as brokers, insurance advisors, agents, underwriters, claims managers and actuaries. The Indian insurance market has huge business opportunity as currently it accounts for less than 1.51% of the world's total insurance premiums and about 2% of the world's life insurance premiums despite being the second most densely inhabited nation. Increased risk of lifestyle diseases, rising middle class population and growing awareness of the need for protection and retirement planning is expected to support the growth of Indian insurance industry which would create the requirement for more and more skilled labour in coming days.

The customer pie in India is ever expanding for financial services sector. With rise in per capita income, the need for financial services is growing. Technology adoption by the industry either by compulsion or by competition is by no way going to hamper the job creation capacity of the sector in coming days. Rather to work on improved technology and digital platform, the demand for new skills would boom in financial service sector in the coming days.

Favorable demographic transition in PSBs

Interestingly, the demographic composition of the banking sector (mainly PSBs) is reverse of the demographic composition of the economy. A major chunk of the banking officials are getting superannuated in next few years, The RBI has already termed the decade 2010-2020 as the " decade of retirement[ix] " for public sector

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[vi] *http://www.sebi.gov.in/reports/annual-reports/aug-2017/annual-report-2016-17_35618.html*

[vii] *http://www.mospi.gov.in/sites/default/files/press_release/nad_pr_28feb17r.pdf*

[viii] *https://www.ibef.org/industry/insurance-sector-india.aspx*

[ix] *https://www.rbi.org.in/scripts/BS_speechesView.aspx?Id=955*

banks. To have a smooth operation, existing players are increasingly spending to train their employees for more value added work. Besides direct hiring, expansion in banking sector is also going to create huge jobs in various support areas. In a nutshell, automation and the adjustment to digitization would bring a net gain for employment. Flexibility to adapt into a rapidly changing work environment is the need of the hour.

How SBI is empowering it's employees in a dynamic environment

No doubt the skill requirement has been changing due to technological evolution in the financial industry. The intense use of technology demands renewed skills development of workforce which demands investments into training and manpower development by the institutions as well as the employee her/himself. Many firms have established dedicated programs to re-skill their existing employees. In case of SBI we have five apex training institutes and more than 54 learning centres which operate throughout the year with full capacity to update the knowledge and skills of our employees. Recently, we have opened another apex training centre, State Bank Institute of Management (SBIM) at Kolkata with global standards to endow with best in-class training and research in banking industry.

Future prospects of jobs in financial sector

Technology has been redefining the financial sector, making it essential for everyone to understand the evolving role of technology in financial services. Being head of the human resource department of the largest financial institution in the country, I strongly disagree with the common belief that introduction of advanced technology would eat up human jobs and would reduce manpower absorbing capacity of the sector in coming days. Rather if you see, employment in the financial services sector has been growing rapidly in the past decade and is expected to continue. In our bank we have been channeling more & more of our manpower resources towards areas likepayment services, digital banking, alternate delivery channels, risk mitigation, big data analytics, wealth management & compliance & related activities like FATCA, AML & KYC. The Naukri Jobspeak Index[x] that measures the hiring activity in Indian firms, shows that job hiring activity in the 'Banking and Financial Services' sector is highest among all the industries followed by the real estate sector.

Proliferation of automation has made some of the banking operations such as fund transfer, account opening, paying bills, generating account statements, ordering cheque books etc. online and with minimum involvement of the bank employee. The advancement of technology in the sector can be seen as a generational shift.

I believe hiring in banks is likely to bounce back in coming days owing to expansion into tier II, III and IV cities. Recent report by Manipal Academy of Banking has highlighted that expansion in banking sector would create position for 18-20 lakh new employees over the next five years[xi]. To be more precise, a growing demand for client facing and client-servicing roles, business correspondents, sales executives and other banking professionals to reach out to the rural population is seen in coming days. Apart front staff for branches, as well as for functions such as operations, FT, risk management, compliance experts are going to get an increased demand for their services. ■

[x] *http://www.infoedge.in/pdfs/jobspeak-report-june-2017.pdf*

[xi] *http://labourbureaunew.gov.in/usercontent/ILJ_APR_2014.pdf*

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Prior to this, he was the Chief General Manager of Kolkata Circle of SBI. He has been General Manager of Mumbai Circle of the Bank. He was posted at SBI Corporate Centre, Mumbai, as Deputy General Manager (Industrial Relation) and had also worked as a Faculty in State Bank Academy, Gurgaon, with diverse experience in the fields of credit, Human Resources and training systems.

His notable assignment also includes his stint as Chairman of PurvanchalGramin Bank, Gorakhpur and is credited for the tectonic changes in business levels and performance of the Bank.

He is a Science Graduate and LLB from Delhi University.

The Future of Work in the Financial Services Sector

Naresh Makhijani
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Understanding the digital revolution

Setting up a digital operation framework has been identified as a critical enabler in aiding financial services organisations to renew their business journey in the digital era. Adopting a 'go digital' mind-set and placing digital at the core of the business enables financial services organisations to redefine their operating model and relationship with their customers.

This transformation for the financial services industry can be viewed at from two distinct perspectives.

The first is as part of digital customer journey driven by changing customer needs and context. The Indian consumer has become acclimatised to the online consumer experience and we see organisations revamp all functions that have a distinct customer touch point, including marketing, customer acquisition, sales, customer services, etc. These changes are instances of job undergoing a change in the nature of work and require a combination of up-skilling the existing workforce and hiring additional digital talent to tackle it.

The second is the budding but steadily ever-increasing class of tools that is automating clerical tasks in the finance industry called Robotic Process Automation (RPA). RPA tools do not necessarily need to integrate with or augment the existing IT system, but rather sit at the presentation layer, following instructions to perform highly standardised and repeatable tasks such as administrative activities, e.g., accounts payable, transaction processing, or order entry.

The entry of process robotics and cognitive automation in the Indian context is expected to transform operating models and redesign businesses. Organisations are in a race to understand factors influencing these transformation choices and to drive the change for their ecosystem. This impact is felt in both large Indian and MNC end-to end service providers as well as in the various global in-house centres in India.

The 'knowledge worker' demographic that is at the core of this impact is indeed huge - from clerical and administrative workers to sales and technology professionals. It includes categories of jobs that require higher levels of decision making, knowledge, judgment and human interaction.

How could jobs be affected?

For the financial services industry, middle ranking jobs are just as likely to be affected as those jobs with obvious susceptibility to automation, such as bank tellers, repetitive manufacturing and customer service representatives in call centres.

According to Frey and Osborne's touchstone research[1] , these cognitive automation practices can replace almost anyone whose job

[1] *Carl Benedikt Frey and Michael A. Osborne, "The Future of Employment: How Susceptible Are Jobs to Computerisation?" University of Oxford, Sept.17,2013*

does not require one or more of these characteristics:

Perception and manipulation of things requiring high manual or intellectual dexterity and discrimination between different objects in an unorganised environment.

Creativity, particularly fine art creativity and high-order originality, varying from landscape photography to out-of-the-box financial solutions.

Social interaction and social intelligence caused mainly by the unpredictability of human interactions, showcase areas like customer service and relationship management.

In the midst of this polarisation, we see five ways in which jobs will be transformed. Some or all of these drivers of change can affect any job or role.

1. **On-target decision making**: Making better, more consistent decisions, such as loan approvals

2. **The leveraged professional**: Allowing lower-qualified people to deliver the same output as a fully qualified professional (a para-legal giving attorney-level advice) or allowing a higher-qualified professional to deliver a world-class output

3. **The connected worker**: Giving everyone the technologies to access the best ideas and knowledge on a topic. For example, a surgeon learns the latest techniques from the world leader in a certain surgical procedure.

4. **Working at the speed of thought:** Augmented professionals working faster with much greater throughput, such as making judgments about the best tax treatments to apply to a set of company reports and accounts

5. **The digital worker:** Using technologies to replace entire roles and job types. In particular, jobs in middle-ranking occupations are likely to see the biggest impact. These technologies also allow people to work anywhere, including remotely, and offer the opportunity to fully replace humans - in a call centre, for example.

What these technologies make clear is that human and digital labour will increasingly co-exist in organisations, raising a key challenge for leaders and human resources (HR) professionals alike: create a productive integration as opposed to a destructive disconnection between both aspects of labour.

The challenge for leaders

As more and more robots and other cognitive technologies work side-by-side with a human labour force, leaders are increasingly challenged to integrate and make the most of both kinds of labour. This dynamism gives rise to the following set of questions that leaders of organisations and society must tackle proactively:

- What will our workforce of the future look like?
- How do we successfully integrate digital and human labour?
- How do we ensure a smooth transition and manage workforce at all levels?
- How does this change what 'career'means in our organisation?
- How will our operating model evolve to remain relevant and competitive?
- How do we retain and grow employee commitment in an environment where job security is seen as increasingly threatened?
- How do we innovate to create new product and service offerings?
- How do we best prepare workers for the future?
- How do we better plan and forecast in a VUCA (Volatile, Uncertain, Complex and Ambiguous) world?

How is the story going to be different for India compared to other countries?

When talking about what the future entails, the India story will be drastically different from other countries.

Every country has its own story when it comes to talent landscape.

When we talk about USA, there is a clear mismatch between the current state of the education system in the country vis-à-vis the expectations and requirement of the organisations, which has resulted in 'outsourcing' of talent from other places. On the other hand, a country like Australia has solved their problem of talent shortage by implementing effective immigration/emigration polices, in sync with their requirements.

China, Japan, UK, Germany, Italy and France are a few countries which have talent landscape slightly similar to that of India.

However there are a few characteristics which differentiate the India story:

- The Indian workforce is extremely heterogeneous
- India's economy is growing at a pace faster than other similar countries
- India is getting far more global in its needs, aspirations and sensibilities.

Therefore, organisations operating in India or focussed on tapping the Indian market will have to be constantly on their toes to answer the 'what lies in the future' for India.

A changing employee landscape

The situation begs many more questions as employers shift their attention to this kind of skilled talent and automate many lower-level jobs. For example, what will happen to the vast numbers of workers who heretofore have been soaked up by manufacturing assembly lines or call centres? Some speculate that if those jobs are automated, these workers will become unemployable.

Others postulate that the very makeup of society will change when knowledge workers contribute to technology and productivity while others are not engaged in that process. The scenario also invites questions about the distribution of wealth, especially when some parts of the population are not contributing to it.

Despite some projections by foretellers, RPA will not cause catastrophic global unemployment, with mankind becoming idle while machines do the work. Rather, by automating low-level activities, RPA will ultimately free employees to focus on higher-value work or discover innovative ways to provide value.

Generating employee buy-in

Depending on the culture of your firm and the workforce strength and spread, getting the buy-in and cooperation of your employees in integrating these changes may be essential. In our experience, we have found that proactively gaining support for automation among your employees, many of whom may end up being displaced by bots at some point, will make the process faster, easier and more efficient.

Here are some suggestions on how to garner employee backing for RPA:

Communicate to employees that the goal of RPA is operational excellence and efficiency, not reducing head count. If employees believe they will be making themselves obsolete, it will be difficult to get their cooperation.

- While head count may end up being reduced, ideally it should be the result of normal attrition.
- Have a strategy in place to help employees transition to a different, perhaps more creative and fulfilling jobs.

Demonstrate the value to employees of being involved in using these high-tech tools.

- Present the information to the effect that employees who have the ability to use big data, natural language processing, analytics and machine intelligence are more valuable in the marketplace.

Work with employees in the automation process and empower employee teams to charge the process to make it better and more efficient

- Consider letting them weigh in on whether a robot can do a job alone or in conjunction with a human resource.
- If it's decided that a robot can't do the task effectively, let them know it's okay to stick with a manual process.

Build excitement around installation of the first 'bot'.

Roll out RPA gradually, test it thoroughly and make sure it's successful before expanding.

- It's important for RPA to have some early wins. This will also tend to help build excitement about the initiative.

Have leaders at the top and also leaders on the ground champion the RPA cause.

- Roadshows with regular employees speaking about the benefits of RPA, in addition to senior leadership talks, can be very effective in getting employee buy-in

Preparing for the rise of the machines

The rise of digitalisation and automation is clearly not just about new technology; it is a substantial move toward digital workforce, which presents fascinating opportunities to optimise costs and drive strategic advantage. It also presents tremendous challenges related to recruitment, skills training, re-deployment of workers and re-designing of business models.

Leaders across organisations need to answer key questions to help their organisations understand the future, plan for the future and ensure effective implementation and integration of the new technology.

To conclude, different organisations have different needs and aspirations and they need to be cognisant of their specific requirements while identifying and adopting the digital tools and techniques most suitable for them.

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Employment Opportunities in Commodity Derivatives Market: What the Future Holds?

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The temporary slowdown being witnessed in India's broader economic growth not withstanding, the financial services sector has been growing at impressive rates in recent times. The 'financial, insurance, real estate and professional services' sector, of which the financial services industry occupies a large component, grew at an impressive 10.6 percent in 2015-16 and 9 percent in 2016-17. This industry, consisting of the capital market, lending and deposit-taking institutions, exchanges and the innumerable and diverse intermediaries that dot the universe of finance is marked by a level of dynamism and innovation not seen in many other sectors in a consistent manner. From the application of concepts of game theory to adoption of latest technologies, it is finance and the institutions that create products and services in this field that have been at the forefronts of innovation led growth in almost all geographies, including India.

Ironically, it is the same innovation that has been the point of criticism of the financial services sector, in that it has led to joblessness. The secular growth trajectory of this sector, which has been on a consistent upswing, taking occasional dips and booms in its stride, has not led to a commensurate growth in employment opportunities, it is alleged. In a recent interview, Vikram Pandit, former CEO of Citigroup Inc. said that developments in technology could see about 30 percent of banking jobs disappearing worldwide in the next five years. This prediction comes a year after a doomsday report on the same theme by the Citigroup. In a March 2016 report, the bank estimated a 30 percent reduction between 2015 and 2025, mainly due to automation in retail banking, leading to a drop in full-time jobs by 770,000 in the U.S. and by about 1 million in Europe.

Are the jobs in financial services industry replaceable by machines?

What forms the basis of such a bleak scenario? Many people believe that proliferation of artificial intelligence and robotics in financial institutions (perhaps more than in others) reduces the need for physical staff, especially in routine and back-office functions. Financial firms across the globe are using technologies including machine learning and cloud computing to automate their operations, forcing many employees to adapt or find new positions. The trigger is often to reap efficiency gains, cut cost, or chase easier resource management.

Automation may only shift jobs - necessitating constant skill upgradation

However, looking at the possibility of shrinkage of employment opportunities due to automation and innovation in processes appears to be a taking a rather myopic and static view of matters, especially of organizational and markets' growth. As financial services firms take to innovation for cutting cost or making processes more efficient, the end result is (or at least intended to be) higher profitability and stronger bottomlines. The higher investible surplus or better competitiveness translates into growth and expansion of the firms, which inevitably leads to higher employment opportunities. In this sense, therefore, the automation-led efficiency gains can create, rather than destroy jobs. The mass computerization of Indian banking industry in the late-80s and early-90s is possibly the best example of such an expansion. Indeed, the Indian finance industry can be seen to be have only expanded itself and the jobs within it ever since it became completely open to innovation with widespread adoption of technology.

Secondly, when critics are apprehensive about the future job losses in the financial services sector, they are possibly mistaking the change in the nature of the job to the number of jobs. Thus, while menial and back-office jobs could be taken over by artificial intelligence and robots, the demand for jobs in financial technology and specialized fields such as accountancy, financial management and costing would surely go on increasing. After all, 'fintech', today's buzzword, was hardly heard of even a decade back. With introduction and roll-out of GST, the demand for chartered accountants has zoomed and is likely to remain at elevated levels for next several years. Anecdotal evidence suggests that CA and law firms are so short of qualified accountants during the current phase of GST roll-out, compared to the humongous country-wide demand, that commerce graduates are being quickly trained and employed for GST-related tasks.

A report by Mckinsey suggests that although robots can replace workers who collect and process data, like bank tellers, less than 5 percent of occupations are likely to be completely wiped out by automation. The adoption of technology is more likely to lead to adaptation at the firm level through re-skilling of workers, rather than *en masse* job losses

Employment creation: evidence from commodity markets

The creation of employment opportunities through expansion of businesses and the market can very well be seen in the commodity derivatives industry in India. According to a 2013report by Deloitte, the commodity derivatives market in India has helped create more than 15 lakh jobs, which is a tad less than 1% of India's service sector labor force. The jobs are not only in those connected directly with commodity derivatives trade, such as in exchanges, offices of trading and clearing members[1] , depositories, clearing banking services, etc, but also in a host of support services which are incidental to derivatives trade in commodities, viz. warehousing, advisory services, quality testing, grading, assaying, transportation and the entire paraphernalia connected to these services. In all the direct and indirect services being provided, there is (increasingly larger) a significant application of technology with its constant maintenance and upgradation, which leads to a constant demand for technology-related services. The Deloitte report used data from 2011, indicating the tremendous growth in services output and employment barely 8 years after a new industry was created in India - that of the national-level commodity exchanges.

Another study by the Tata Institute of Social Sciences in 2012 found that the commodity derivatives market, through its role in price discovery and price risk management, leads to increased investment opportunities in the SME sector and downstream ancillary industries, especially in semi-urban markets. Besides, the twin functions of price discovery and risk management fulfilled by this market lead to fairer prices in commodities, which reduce the cost of production and import bill, boost growth of the small and medium enterprise sector, and provide more accurate demand-supply signals that reduce overall risks in these businesses, notes the report by TISS. It is only axiomatic that these growth-promoting factors would also lead to generation of employment in the commodity market and its associated ecosystem.

A distinctive feature of the employment opportunities created by the commodity derivatives market is the preponderance of very large numbers of low-skill jobs. Be it warehouse management, trading on terminals, quality testing of commodities or providing many of the support services, the

[1]Commodity derivatives market operates for almost 14 hours, from 10.00 AM to midnight. Trading hours are preceded and followed by pre-trading and post-trading operations. Thus, each of the thousands of active trading terminal in commodity derivatives market needs to be manned by multiple persons during the day, which itself generates a few lakh employment opportunities.

quintessential job-holder in the commodity market is not a managerial personnel or highly qualified. This feature of the market definitely has implications for a country where more than half the population is in the labour force but levels of educational attainment remain low.

A bright future beckons

While it is true that the size of the commodity derivatives market today is a fraction of what used to be in 2011 - 2012, there is no denying of the fact that the current stage of the market makes it poised for higher growth and expansion in the immediate future. After the market moved under the regulatory purview of the Securities and Exchange Board of India (SEBI) in 2015 and commodities came to be recognized as 'securities' under the Securities Contracts (Regulation) Act, 1956, there has been a number of important reform measures taken to strengthen and liberalize commodity derivatives trade. In the last four months alone, option products have been allowed and institutions such as Category III Alternative Investment Funds (AIFs) permitted to trade, while banks allowed to become Professional Clearing Members and bank subsidiaries permitted to distribute commodity derivatives products. Each of these developments bear very significant implications for the growth of the market and its institutions, and therefore the employment opportunities.

The recent introduction of GST is another boost to the commodity markets and its potential to create employment opportunities. With the creation of 'One Country-One Market-One Tax', commodity trade is expected to flourish, along with sectors such as warehousing, transportation and other logistics, all of which are key ancillary services in the operation of the commodity derivatives market. Easier movement of commodities across state borders would strengthen of the delivery arm of derivatives trading in due course. Besides, road transport efficiency is likely to improve as the elimination of octroi tax check posts in almost all states result in significant reduction in waiting times for trucks. Floriculture and horticulture crops which have low self-life will particularly benefit from the smooth movement of logistics enabled by GST. Uniform taxes across states will give impetus to storage, cold chain infrastructure and warehousing services, considered the backbone of India's commodity and agriculture sectors. As these sectors grow, so would jobs be created.

Poised for growth

The financial services sector in India in general and some segments in it, such as the commodity derivatives market, in particular, are poised for sustained growth and developments in the times to come with all the regulatory and institutional reforms being carried out by SEBI and various other stakeholder ministries. Given such a scenario, the impending changes in the work processes, products and services offered may at times lead to a temporary disruption in the jobs being created by the institutions of this sector, but would only yield more and newer employment opportunities over time. In this sense, there does not seem to be a cause for pessimism about the future of jobs in the financial services sector, only a case for readiness with the skills that would be needed for the new and emerging jobs of tomorrow. ■

Views mentioned in the article are author's personal views.

Paranjape, an alumnus of IIT Mumbai (Electrical Engineering); PGDM (Specialization in Information Systems) from IIM Ahmedabad has over 25 years of experience in diverse roles across various geographies and functions, such as Corporate Banking, Securities Markets, Investor Services, Cash Management, Technology, Asset management, Custodial Services, etc. He has most notably been responsible for running global business units successfully, with a host of senior level positions to his credit.

Prior to joining MCX, Mr. Paranjape was the Managing Director of Deutsche Bank A.G. During the last decade he has held several leadership positions and assignments with Deutsche Bank in India and abroad, including Managing Director-Corporate Banking & Securities; Managing Director, Trust and Securities Services & Cash Management for FIs Asia-Pacific; Head Investor Services(IS) Asia (Singapore);Head IS, South, and South –East Asia, and India.

In his illustrious career, he has also held senior positions with Prudential ICICI AMC, Reliance Logistics, IndiaInfoline.com, W.I. Carr Securities Private Ltd, ING Baring Securities (India) Pvt Ltd, IIT Invest Trust Ltd, and Citibank.

Insurance Jobs of the Future

Tapan Singhel
Chief Executive Officer & Managing Director
Bajaj Allianz General Insurance Co. Limited

The industrial revolution that started around the 16th century marked the beginning of a new era. Its contribution to the human race was so drastic that in the words of historian Ian Morris - "It made a mockery of all that had come before." Machines took over manual labor and increased the industrial productivity manifolds. For two to three centuries the world witnessed the evolution of the industrial age, which shaped our realm like it is today, into a global village. But over the past two decades, things have been changing at a rapid pace. Conches have been blown to announce the aeon of technological innovations, an era shaped by artificial intelligence and connected devices, marking the advent of the fourth industrial revolution. Industries across sectors are witnessing changing business models that leverage these technologies helping them to be more efficient and reach out to geographies that were previously untapped.

Traditionally known as a silent sector, this technological revolution is giving the insurance industry a total makeover. The industry is leveraging on latest technologies, to reach out to more and more customers with new, innovative and smart insurance solutions. The use of big data analyses and IoT has set base and insurers are centering their products around these to give the customers a well-rounded and connected interface. The proliferation of smart phones and internet connectivity has led them to reach out to previously inaccessible geographies, virtually, without having to set brick and mortar offices. The sector is present on almost all social media platforms, creating customer awareness and redressing their grievances through these platforms, almost instantly.

While all this paints a beautiful picture, a dystopian view exists with many pointing towards the loss of jobs at hand as droids take over human labor. This is well supplemented with news-pieces like the announcement of a Japanese insurer that it will lay off more than 30 employees and replace them with an artificial intelligence system. This system has been described as having "cognitive technology that can think like a human" clearly highlighting the fact that machines may now replace humans in not just doing menial mechanical tasks but also undertake complex, sophisticated work and possibly replace even several 'white collar' workers.

When we think about the issue at hand, there are three thought processes that emerge. The first one being that these evolutions are a bit too futuristic for the Indian Insurance Industry. While AI and connected ecosystems will majorly cater to the urban crowds, with extremely poor levels of non-life insurance penetration at 0.8% percent, the benefits of insurance are yet to reach the untapped masses. Therefore, the industry has the potential to consistently employ lacs of people, both directly and indirectly, every year to spread insurance to the vast interiors of the country. It has also personally been my dream to give job opportunities to at least a million people. The entire insurance operations from policy issuance to claims settlement will be carried out through the tab, sans any physical documentation. Therefore, we are rather at a "phygital" stage - at the cusp of a complete tech revolution, where insurers can add value by enhancing the entire insurance experience for a customer by augmenting digital experiences with it.

Secondly, insurance is a business of settling claims. And it is the time when customers need a human touch rather than an artificial interaction with a bot. Almost 58% millennials prefer dealing with humans to answer their questions, 73% prefer human interactions to resolve their service issues and to get advised, reports Accenture's survey on Digital Disconnect in Customer Engagement. Hence as an industry, we shall continue to be human intensive as we deal with people during the times of their crisis, with utmost empathy.

Third and the most important point to the entire discussion is what the future of work will hence be like. Yes droids are going to take a chunk of our jobs away. But there are things that a machine intelligence cannot do. They cannot handle novel situations, they cannot handle things they have not seen many times before. Machines cannot compete with us when it comes to tackling novel situations, and this puts a fundamental limit on the human tasks that the machines will automate. Hence they may get smarter and smarter at the frequent, high-volume tasks, such as issuing policies and locating the nearest garage/ branch / hospital. But when it comes to the complex processes of handling business and marketing strategies, humans will always have the final say. Insurance is very much an advisory driven business, and this advisory is required for insurance to be sold and the customer to be taken towards the right product fit. This is why I feel that insurance sales cannot be fully automated.

Hence as an industry, the insurers need to strategize their talent pool in such a way that they capitalize the best out of each employee, while being prepared to face the bytological future. They need to be well aware of the fact that 25% of their employees are going to retire soon. They should also realize the need to build a talent pipeline not just of underwriters, claims and sales professionals but technology backed candidates to fill the new hotbed jobs in the insurance industry that revolve around technology and Big Data analytics. It is imperative to benchmark these crucial skills, and to have appropriate recruitment and skill development processes in place to hire and up-skill people across multiple functional disciplines (like risk, decision sciences, marketing, and operations).

The previous industrial revolution infinitely multiplied the power of human muscles, while the current one shall infinitely multiply our mental power. As a digital optimist, I have always believed that the technological advancements bring change for the good. Rather than being apprehensive of them, businesses need to embrace and adapt these to chart and discover new frontiers. We need to understand that businesses do not run on capital or labor or technologies. They rather run on innovations, on ideas. And as long as the human race is capable of cross pollinating innovations, they shall continue to be the overlords of machines. ■

A celebrated voice in the BFSI sector, Tapan has over two and a half decades of rich experience in the insurance industry. He has been with Bajaj Allianz since its inception in 2001 and was an integral part of the team starting up the insurance business in the retail market. Mr. Singhel has been involved in various international projects like setting up of retail business for Allianz in China and Bancassurance development in the Asia-Pacific region. Based out of the company's headquarters in Pune, he leads the company's overall growth strategy.

As a prominent industry figure and an outstanding leader, Mr. Singhel has spearheaded various innovative initiatives in the insurance industry. Known for his bold leadership to turn ideas into strategic actions, he has received many industry awards for his contribution. He was felicitated with the 'CEO of the Year' award by ABF Insurance Asia Awards in 2016. He has also been featured in the list of LinkedIn Power Profiles for being the most viewed profile in the financial sector on LinkedIn in India for two consecutive years since 2015. Under the aegis of his leadership, Bajaj Allianz General Insurance was adjudged Aon Best Employer in 2016.

Mr. Singhel started his career as a direct officer in 1991 with New India Assurance Company. He has handled portfolios as varied as accounts, IT, underwriting, claims, marketing, sales, etc. throughout his career. He is the Chairman of IRDAI's panel to promote e-commerce in insurance, Member of IRDAI's Advisory Committee on Reinsurance and IRDAI's Insurance Advisory Committee. He was the President of Indo-German Chamber of Commerce for the year 2014-15 and was earlier the Vice-President for the year 2013-14. He was a member of the Board of Directors for Berkshire India Limited and Berkshire Hathaway Services India Private Limited during 2011-12.

An alumnus of the prestigious Banaras Hindu University (BHU), Mr. Singhel has done his Masters in Physics with a specialization in Lasers and Spectroscopyand his schooling from La Martiniere for Boys, Kolkata and St. Peters, Agra. A strategic leader and innovator, Mr. Singhel has an exemplary track record in driving organizational efficiency, enhancing customer service, developing innovative products while driving revenue growth and profitability.

Future of Jobs in the Financial Services Sector

Swaminathan Subramanian
Head, Human Resources
Fullerton India

We are indeed witnessing what is referred to as the Fourth Industrial Revolution – The Digital Revolution, characterized by a fusion of technologies, increased adoption of data and analytics, rapid growth in digital infrastructure – all of which is changing social constructs and customer behaviour. This is particularly so in financial services, where the emphasis is on increased accuracy, access, engagement and efficiency. This augurs well for the industry and calls for innovation, investment and entrepreneurship like never before. This revolution is unprecedented in terms of speed, eliminating organizational boundaries and puts systems at the forefront.

New vistas of machine learning and robotics are making an impact on how business is conducted and how customer experience is transforming. These developments will have an irreversible impact on the workplace. Industry estimates are that globally, over the next 20 years, jobs in the financial services industry are considered at high risk of automation – about 54% of jobs may get eliminated. This has been a topic of much debate and concern.

People and jobs often reinvent themselves to stay relevant

Development and progress is not necessarily targeted to cannibalizing jobs. One has to simply look into the rear view mirror to discover the route to the future. Jobs have in the aggregate only increased, modernized and sophisticated. The old time bank clerk's job such as passbook updating, cash deposit, verification of know-your-customer details went away. The manned tellers reduced and made way to ATMs and now- to hashtag banking. The passbook gave way to telephone banking and then to bot managed self-service. Every time a process or a technique became obsolete a new one emerged which was swifter, easier and more accurate. They created jobs with new skills. People and their jobs have moved with the times towards smarter, value adding and knowledge based avenues. This is essential for survival and evolution, similar to species like the coyote! The coyote-employee is one who can adapt and reinvent their jobs every day, in a dynamic marketplace.

The next skills – The Digital shove

There are a couple of realities that one has to first accept and internalize. (1) Digital business is the new normal. It has heralded a complete transformation of production, management and governance (2) Organizations are increasingly interdependent, inter-connected (even across industries) and collaborate to stay relevant. Therefore, it is imperative to sizeup the opportunity and distill it in terms of key skills and competencies for future.

1. **Customer acquisition, relationship and engagement**

   Undoubtedly, even in the face of change in methods, the one who wins the customer is invaluable to the organization. Organizations that study and understand customer preference develop successful business models. Most successful and even disruptive models and practices have emerged by anticipating and estimating the customers' expectations accurately. It is then, how we build trusted relationships and value propositions that separate the winners from the rest. Jobs dedicated to building customer experience, transaction efficiency and transparency are irreplaceable. In the vast array of financial products and services which are often regulated, it is the relationship management, empathy, speed and personalized service that remain at top of the mind and recall. Whether one is in the business of lending, wealth /portfolio management or insurance, these products and services are well entrenched in the lifestyle, life cycle or events in the life of a customer. It is the agility to serve at the appropriate time with the best and fair solution that remains the mainstay job of the organisation.

An interesting and emerging skill in the same realm is the ability to collaborate and partner across organizational boundaries and build the necessary fusion and perhaps disruption to deliver customer delight. Telecom and mobile device companies today possess payment bank licenses and/or remittance features. Market place aggregators for goods have developed and spun off retail financial lending capabilities. Transportation aggregators have easy payment applications as much as food delivery propositions. Each innovation and fusion has emerged from a detailed study of customer needs. So, when in doubt on where to start – start with the customer!

2. **Data analytics, intelligence, decision sciences – The “fin” of fintech**

Emanating from the first, all important, epicenter of customer needs assessment is the subject of customer intelligence. At the core of any digital solution lies the secret sauce of decision sciences. Technological developments have given greater access to more data and the opportunity to build models around customer behavioral patterns. This discipline has given rise to the use of algorithms, scorecards and gating tools that focus on sharp customer selection, intelligence and bespoke solutions. Today's data scientist has multiple ports of traditional and alternate data to study, score and position a product. This is one of the key trends affecting the financial services industry, and it will drive revenue and profitability more directly in the future. The growing role of big data in the economy and business will create a significant need for statisticians and data analysts and according to studies there is a significant shortfall of 250,000 data scientists in the United States alone in the coming decade. A “digizen” in the corporate world is one who is skilled in the adoption and use of data analytics in day to day work.

3. **Digital Technology – The “tech” of fintech**

More than traditional technology, the digital techies are in demand for app development, building interfaces with core systems, UI/UX as well as robotic tools for efficiency and speed. The data scientist and the digital technologist work in tandem to deliver the appropriate solution for the customer. The use of Artificial intelligence and bots while eliminating routine, manual jobs can create a discipline dedicated to the study of such jobs and introduce efficiency and speed. A study by McKinsey sizes up a four fold increase in economic value by 2025. This value arises from improved productivity and higher incomes for citizens using financial services and from lower costs and reduced leakage in government transfers and payments. As many as 300 million Indians could gain access to banking services and raise their incomes by 5 to 30 percent - thanks to better access to credit and the ability to save and make remittances. (source: McKinsey)

4. **The Enterprise Risk professionals**

Among the most critical jobs in the Financial Services industry today is that of Enterprise Risk Manager. These professionals are the firewalls and gatekeepers to the enterprise with their roles spanning credit, market, liquidity and cyber risk management. The regulatory landscape is changing at a rapid pace. Protecting shareholder interest, managing a fortress balance sheet, the risk manager is a trusted lieutenant to the CEO and a strong partner to the CFO. The profile of risk managers are metamorphosing to include strong technology appreciation and use of data and analytics to digitize forecasting and planning for credit cycles. A key and emerging skill is in the area of cyber security. With the exponential advances in digital technology, comes the top risk in financial services – cyber security. Organizations are increasingly becoming cautious and investing in security of data and transactions with an objective of minimizing cyber frauds. This is the antidote to the lethal digital weapon! This subject will continue to evolve as much as digital penetration will expand. Recent events are testimony to how malwares, phishing, vishing which can cause operational losses of billions of dollars – in addition to lawsuits and reputational damage.

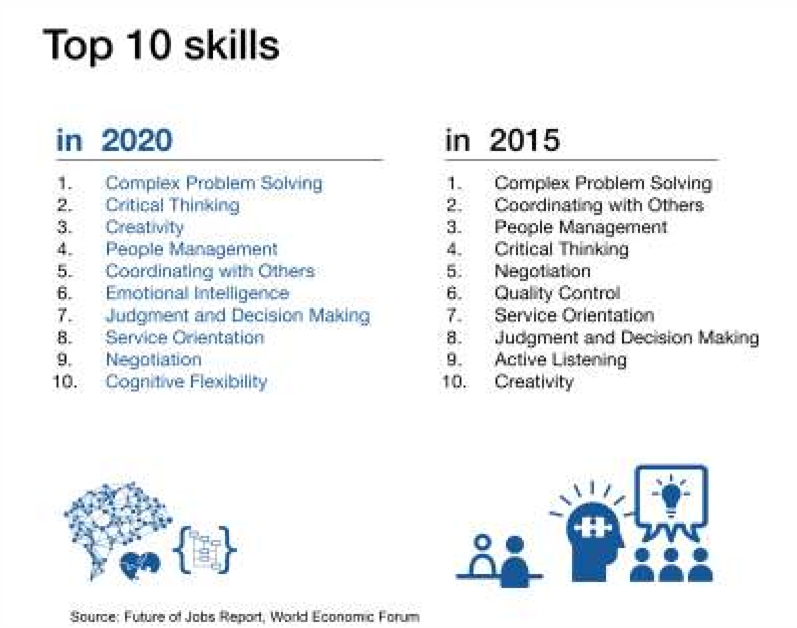
The next skills – stretching mindsets

While we have delved upon skills based on outcomes delivered, the mindset is the where the epicenter of change and new orientation of jobs is. As organizational boundaries begin to blur, the emphasis will be on core and innate skills that are fungible – within the neuroplasty of the brain! These skills are durable and are agnostic to the roles performed. The future of jobs report, World Economic Forum, speaks of Complex problem solving, Critical thinking and Creativity among the top three skills for future and the interesting inclusion of Emotional Intelligence (notwithstanding the gig world) as key to the future (table below). Organisations will be challenged to think about how work itself can foster talent. It is impractical to think you'll be able to hire and fire your way to the competencies you need. There will be an increasing impetus to training, cross pollinating knowledge and structural interventions that will allow for such competencies to come to the fore and flourish. Mindsets can't be purchased. They need to be built over time.

Future of Workforce and Workplace

The future of workplace and employment will also be influenced by the digital ecosystem that is fast developing. With specialty skills not necessarily within the core domain of the organization, there is a rising trend of using non employees. There is a perceptible movement from well-defined occupations to project based work. A study conducted by Towers Watson forecasts a widely differentiated employment in the future, with free agents who are casual earners becoming an integral part of workforce planning.

All in all, the future is exciting and augurs well for jobs in the financial services – jobs that are in a global village of virtually collaborating employees and free agents ■



__Swaminathan Subramanian__ is the Head, Human Resources for Fullerton India, based in Mumbai.

He has 19 years of diverse experience in Human Resources and a large part of it was spent in multinational banks including Standard Chartered Bank, Barclays Plc. and JP Morgan Chase.

Mr. Subramanian is an international HR professional and has worked in the Middle East, South and South East Asia, Africa and the UK. He has led a wide range of assignments like merger integration of entities in diverse markets in Southern Africa, Taiwan & Indonesia; kitting out a new Bank entry in India; managing consolidation and growth of offshored business in India; embedding HR operational risk process globally; and is regarded a specialist in Compensation & Benefits.

He is an alumnus of XLRI, Jamsehdpur and a gold medalist engineer from Jadavpur University. He is a frequent panellist and speaker at various forums.

Future of Jobs in Finance

Ashish Kumar Chauhan
MD & CEO
Bombay Stock Exchange

The Indian economy is now considered the fastest growing economies in the world. Contributing to its high growth are many critical sectors, amongst which 'financial services sector' is unarguably one of the most distinguished sectors of Indian economy. However the contribution of financial sector to GDP is around 6% as of FY2016-17, quiet low as compared to other developed and developing economies. The Government has taken many reformative steps over the last few years to make financial sector even more popular, inclusive and robust. These reforms will rewrite a chapter in Indian economy and further contribute to revenue and employment generation for the economy. In terms of the demographics, India is expected to become one of the most populous nations by 2025, with around 1.4 billion people. The country's population pyramid is expected to bulge across the 15–64 age bracket, increasing the working age population from approximately 761 million to 869 million[1]. Also, in this period, India is poised to become the world's youngest country, with an average age of 29 years, and account for around 28% of the world's workforce. On an average, 15 million youths will join the workforce every year, for the next 20 years which gives India a unique competitive advantage, but would also be its biggest challenge. The recent Government initiatives in the financial sector covering formal banking like Digital India, Jan Dhan Yojana and Direct benefit transfers, insurance schemes PM Suraksha Bima Yojana, Agri Insurance, and micro-finance MUDRA scheme are all aimed towards creating a wider base of formal financial services sector. The increasing penetration of mobile usage with increasing access to internet has helped creating awareness in financial sector. It is not limited to the traditional banks, but the scope is widened to cover stocks, mutual funds, insurance, micro finance etc.

The current digital revolution will lay the foundation for a more comprehensive and all-encompassing economic inter-linkages than anything we have ever seen. While the impending change holds great promise, the patterns of consumption, production and employment created by it also pose major challenges requiring proactive adaptation by corporations, governments and individuals. The twin forces of demographics and technological change will reshape the financial sector of the Indian economy. There will be a dire need for trained and certified intermediaries to absorb the requirements of the growing market. Domestic financial services can generate around 50 lakh new jobs in the next ten years. Additionally, the launch of the Gujarat International Finance Tec-City (GIFT City) as "India's Global Financial Hub" with an estimated

[1]*EY, Reaping India's promised demographic dividend, 2013.*

project cost of US$ 11 billion will foster the growth of global financial ecosystem. This initiative to promote a state-of-the-art international financial services facility would boost the fintech revolution in India. The IFSC would cater to India's large potential in financial services by offering firms world-class infrastructure and provide 20 lakh direct front-end jobs in the next ten years. There will also be an equal number of indirect and back-end jobs. Overall, it is my view that financial services can become a next driver of employment growth and propel India to be next finance hub.

In the global markets, the contribution of finance as the future driver of growth and employment, would assume increased importance like what software services has achieved. Influenced by rise of global interconnected markets, massive advances in technology and changes in investment landscape, the finance function is more than the support function it used be. Now, banks and financial institutions are rapidly adopting a new generation of Artificial Intelligence-enabled technology (AI) to automate financial tasks like operations, wealth management, algorithmic trading and risk management. This would mean creation of a new class of highly skilled individuals trained in application of AI / data science to various aspects of finance from designing of products, trading decision making tools, investment recommendations, risk management, surveillance methods just to list a few. India has the potential to create financially literate experts working for the world markets like what happened in the software industry. These jobs would not be limited to the back office processes but increasingly contribute to the front office jobs. In the next 10 years India can create another 20 to 30 lakh front end jobs in international financial markets.

Automation, minibots, machine learning and adaptive intelligence are becoming part of the finance team at lightning speed. As routine tasks become automated, finance professionals will be freed up to focus on more judgment-intensive activities. Some jobs will transform and newer roles will emerge. Machines will continue to need humans. It is only when machines are complemented by human involvement that we fully realize the societal benefits of technology. Even in the age of artificial intelligence, humans need to frame the problems that we want computers to solve. With robots doing many jobs better and faster, humans will be able to spend more time on higher-level or creative tasks. Computers might have abolished the need for every company to have a "typing pool" – but they've created a whole service industry of IT support staff and analysts that cannot be automated. For every job lost through automation, claim the World Economic Forum, almost three new ones will be created. The very concept of work is being redefined as different generations enter and exit the workforce amidst a rapidly changing technological landscape. India needs a collaborative effort. It will have to create a long term ecosystem that trains and educates professionals.

Universities are now revising their educational blueprint to adapt to this technological disruption in the finance job market. Business schools are planning to offer so-called "fintech" in their MBA programmes, hoping to teach students how to become masters of financial technology. BSE has also taken leadership in this field by promoting BFSI sector skill council along with leading financial institutions in India. BFSI sector skill council is run out of this building and has been preparing the skill sets and curriculum requires for banking and financial services sectors requirement. The training institute provides certifications to more than 40,000 finance professionals every year. BSE training Institute also runs an incubator with Ryerson University of Canada which has already funded more than 80 start ups and is considered to the most successful incubator in India today. We plan to train over next several years, more than 50 lakh people in acquiring skills so that they can work as employees or entrepreneurs in the fields of banking, stock market, insurance, micro finance, mutual funds etc.

While much has been said about the

need for reform in basic education, it is simply not possible to endure the current technological revolution by waiting for the next generation's workforce to become better prepared. Instead it is critical that businesses take an active role in supporting their current workforces through re-training, that individuals take a proactive approach to their own lifelong learning and that Governments create the enabling environment, rapidly and creatively, to assist these efforts. ■

Ashish is the MD & CEO of BSE (Bombay Stock Exchange), the first stock exchange of Asia. He is one of the founders of India's National Stock Exchange ("NSE") where he worked from 1992 to 2000. He is best known as the father of modern financial derivatives in India due to his work at NSE. He was instrumental in setting up India's first fully automated screen based trading system and first commercial satellite communications network. He also created several path breaking frameworks including Nifty index, NSE certifications in financial markets etc.

From 2000 to 2009,he worked as the President and Chief Information Officer of Reliance group and was also the CEO of the cricket team Mumbai Indians in its formative years. He also handled additional responsibilities as the Head, Corporate Communications for Reliance Group from 2005 – 2006.

Ashish has won several International and Indian awards including:

1. *CEO of the Year, Diamond Sabre Awards 2015, Hong Kong*
2. *Indian Business Leader of the Year, Horasis Interlaken/Switzerland 2015*
3. *RH Patil Award for Excellence in Financial Services, June 2015*
4. *Distinguished Alumnus Award, Indian Institute of Technology, Bombay, 2014*
5. *Best CEO in the Financial Markets in the Asia Pacific by the Asian Banker, 2014*
6. *Zee Business Awards- Special contribution in Commodities and Capital Market, 2013*
7. *TOP 50 CIOs, Information Week, US, 2009*

He holds a B Tech in Mechanical Engineering from IIT Bombay and a PGDM from IIM Kolkata. He is a Distinguished Visiting professor at Ryerson University, Toronto, Canada.

Due to his work in various fields spanning a quarter of a century, he is considered one of the foremost experts in the fields of Information Technology, Finance, Markets, Micro structure of markets, cricket, telecommunications, organized retail, oil and gas refining and Indian social issues.

He is the Chairperson on the Board of Governors (BoGs) of the National Institute of Technology (NIT) Manipur. He is a member of the Advisory Committee of Ministry of Micro Small and Medium Enterprises (MSME). He is an Advisor to the Technical Evaluation Committee set up by the Department of Posts for Postal Bank and also a part of several other committees of World Federation of Exchanges ("WFE"), Government of India ("GOI"), Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), Central Board of Direct Taxes (CBDT), Federation of Indian Chambers of Commerce and Industry ("FICCI"), India UK council ("UKIBC") etc. He is also associated with several NGOs and education institutions. His quotes and writings have been published in various newspapers, magazines and journals in India and abroad.

FICCI – Data Centre

Equity Capital Markets

- **Indian ECM** volume stood at $18.3bn (via 183 deals) for 9M 2017, up more than two times on the $7.7bn (via 119 deals) raised in 9M 2016
- **IPO** volume increased to $6.0bn (via 120 deals) for 9M 2017, compared to $3.0bn (via 78 deals) for 9M 2016. There were no convertibles issued for 2017 versus 2 deals ($310m) for 9M 2016
- **Follow-on** volume for 9M 2017 increased more than twice to $12.3bn (via 63 deals) from the $4.4bn (via 39 deals) for 9M 2016
- **SBI's** $2.3bn follow on via book runners **Kotak, BAML, DB, IIFL Holdings, JM Financial and itself** is the largest ECM transaction for 9M 2017

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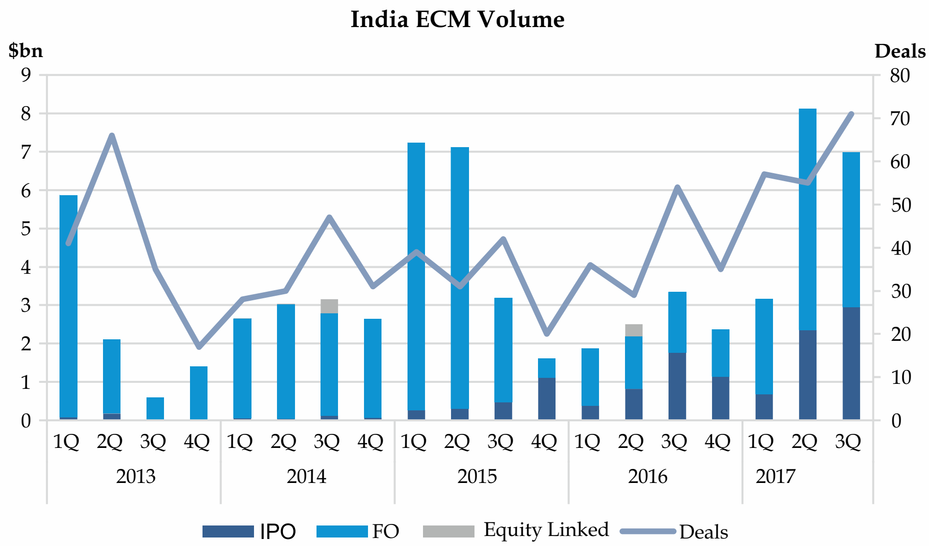
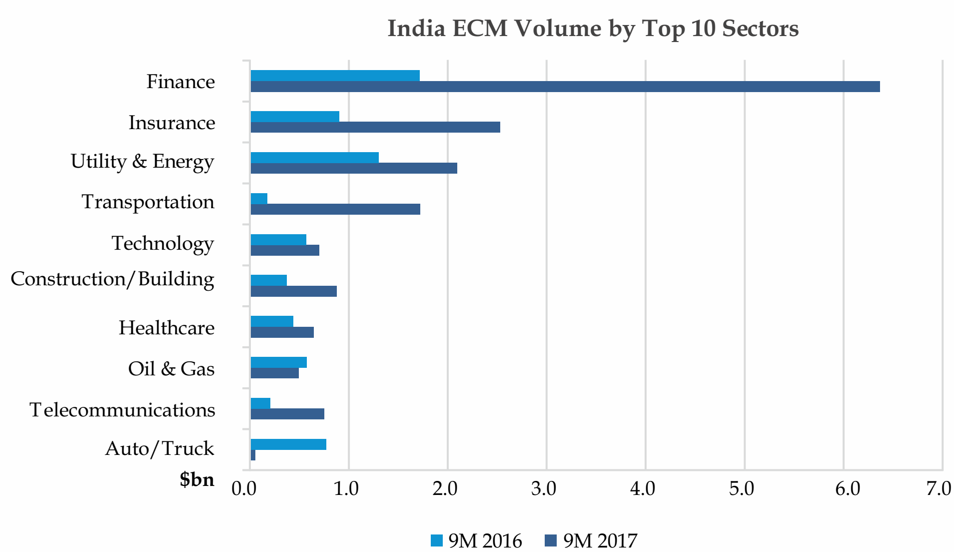




Note: 9M = First nine months

Top 10 ECM Deals - 9M 2017					
Date	issuer	Sector	Deal Type	Deal Value($m)	Bookrunners
8-Jun	State Bank of India	Finance	FO 2	,329	KOTAK, SBI, BAML, DB, IIFL, JM Financial
30-Aug	NTPC Ltd	Utility & Energy	FO	1,522	CITI, JEFF, AXIS, YES
26-Sep	SBI Life Insurance Co	Insurance	IPO	1,28	JM Financial, AXIS, BNP, CITI, DB, ICICI, KOTAK, SBI
16-May	Kotak Mahindra Bank	Finance	FO	905	BAML, KOTAK, MS BAML, ICICI, IIFL,
21-Sep	ICICI Lombard General	Insurance	IPO	885	CITIC, Edelweiss, JM Financial
7-May	IRB InvIT Fund	Transportation	IPO	783	IDFC, CS, ICICI, IIFL
29-Mar	Yes Bank Ltd	Finance	FO	754	CITIC, BAML, IIFL, Motilal
8-Sep	Bajaj Finance Ltd	Finance	FO	703	JM Financial, GS, KOTAK
21-Jun	Larsen & Toubro Ltd	Construction /Building	FO	641	MS, CITI, ICICI
18-Sep	InterGlobe Aviation	Transportation	FO	591	CITI, JPM, MS

Note: 9M = First nine months

Asia Pacific ECM Volume by Nation 9M 2017				
Pos.	Nationality	Deal Value ($m)	No.	% Share
1	China	114,743	714	53.5
2	Japan	36,539	163	17.0
3	India	18,280	183	8.5
4	South Korea	11,484	120	5.4
5	Australia	9,843	477	4.6
6	Hong Kong	6,050	194	2.8
7	Taiwan	4,883	100	2.3
8	Singapore	3,180	43	1.5
9	Malaysia	3,052	86	1.4
10	Thailand	2,448	27	1.1

India ECM Volume 9M 2017				
Pos.	Bookrunner Parent	Deal Value ($m)	No.	% Share
1	Citi	2,256	15	12.3
2	Kotak Mahindra Bank Ltd	1,306	9	7.1
3	State Bank of India	1,281	20	7.0
4	ICICI Bank	1,249	16	6.8
5	JM Financial Ltd	1,207	10	6.6
6	IIFL Holdings Ltd	1,135	10	6.2
7	Bank of America Merrill Lynch	1,126	5	6.2
8	Deutsche Bank	1,060	8	5.8
9	Axis Bank	1,038	15	5.7
10	Morgan Stanley	928	5	5.1

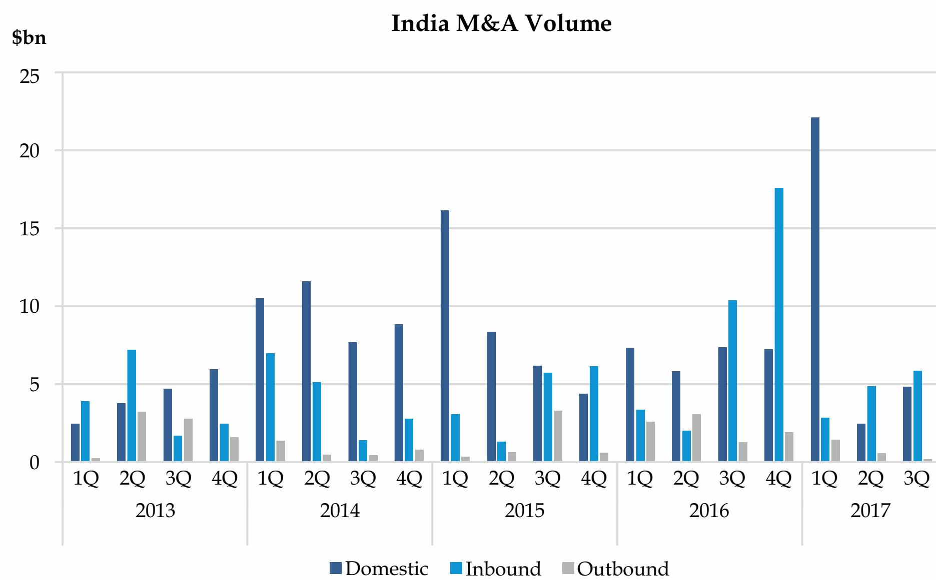
India FO and Conv. Volume 9M 2017				
Pos.	**Bookrunner Parent**	**Deal Value ($m)**	**No.**	**% Share**
1	Citi	1,785	10	14.5
2	Kotak Mahindra Bank Ltd	1,060	5	8.6
3	Bank of America Merrill Lynch	979	4	8.0
4	State Bank of India	910	13	7.4
5	Deutsche Bank	900	7	7.3
6	Morgan Stanley	812	4	6.6
7	JM Financial Ltd	734	4	6.0
8	IIFL Holdings Ltd	730	5	5.9
9	JPMorgan	644	3	5.2
10	Axis Bank	573	5	4.7

India Block Trade Volume 9M 2017				
Pos.	**Bookrunner Parent**	**Deal Value ($m)**	**No.**	**% Share**
1	Citi	1,588	9	15.6
2	Deutsche Bank	900	7	8.8
3	Kotak Mahindra Bank Ltd	758	4	7.4
4	State Bank of India	737	12	7.2
5	JM Financial Ltd	734	4	7.2
6	IIFL Holdings Ltd	730	5	7.2
7	Bank of America Merrill Lynch	677	3	6.7
8	Axis Bank	565	4	5.6
9	JPMorgan	447	2	4.4
10	ICICI Bank	415	6	4.1

Note: 9M = First nine months

Mergers & Acquisitions

- **India** ranked as the fifth targeted nation in **Asia Pacific region** for 9M 2017 with $43.0bn, up considerably on the $36.3bn announced for the first nine months of 2016
- India **Outbound M&A** volume down 69% to $2.1bn for 9M 2017 compared to $7.0bn for 9M 2016
- India **Inbound M&A** volume down 14% to $13.6bn for 9M 2017 from the $15.7bn for 9M 2016
- **Domestic M&A** volume increased 43% to $29.4bn for 9M 2017, compared with $20.5bn for the first nine months of 2016
- **Vodafone India Ltd.'s** merger with **Idea Cellular Ltd**. in a $14.4bn valued transaction is the largest announced M&A transaction for 9M 2017



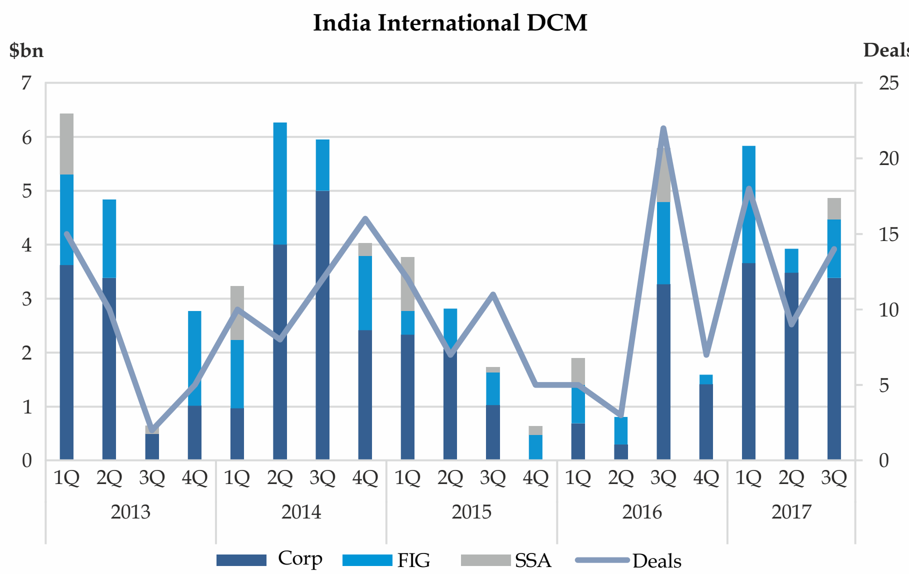
India Announced M&A Advisory Ranking 9M 2017				
Pos.	Advisor	Value $m	# Deals	% Share
1	Goldman Sachs	17,518	4	40.8
2	Morgan Stanley	17,106	5	39.8
3	Rothschild & Co	15,406	5	35.9
4	Kotak Mahindra Bank Ltd	15,206	4	35.4
5	Axis Bank	15,158	6	35.3
6	UBS	14,993	3	34.9
6	Robey Warshaw LLP	14,993	2	34.9
6	Bank of America Merrill Lynch	14,993	2	34.9
9	Citi	4,937	5	11.5
10	JPMorgan	4,915	4	11.4

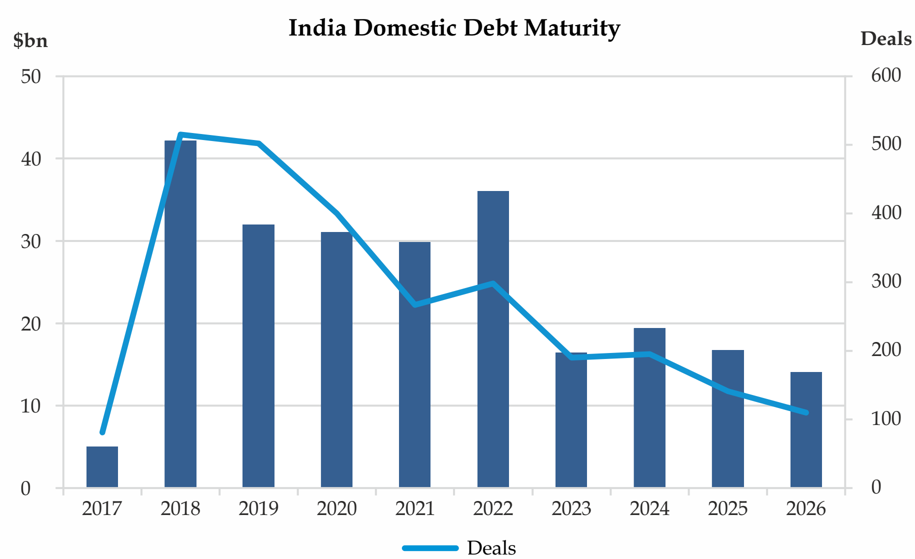
India Announced M&A Attorney Ranking 9M 2017				
Pos.	**Attorney**	**Value $m**	**# Deals**	**% Share**
1	AZB & Partners	23,802	38	55.4
2	Vaish Associates Advocates	14,993	2	34.9
2	Slaughter and May	14,993	2	34.9
2	S&R Associates	14,993	2	34.9
2	Bharucha & Partners	14,993	2	34.9
6	Shardul Amarchand Mangaldas & Co	2,243	10	5.2
7	Cyril Amarchand Mangaldas	1,498	9	3.5
8	O'Melveny & Myers	884	3	2.1
9	Luthra & Luthra	377	4	0.9
10	Simpson Thacher & Bartlett	200	1	0.5

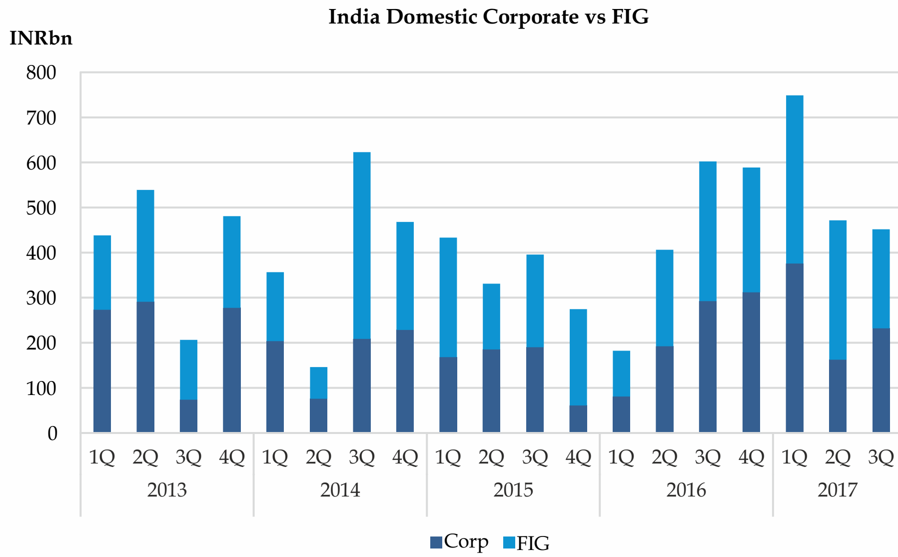
Note: 9M = First nine months

Debt Capital Markets

- **India DCM** issuance for 9M 2017 reached $49.5bn (via 410 deals), up considerably on the $31.3bn (via 381 deals) raised in 9M 2016
- **Corporate IG** and **Agency** bonds accounted for 64% and 19% of the total DCM volume with $31.8bn and $9.4bn, respectively for 9M 2017
- **Volcan Investments** led the offshore issuer table for 9M 2017 with a 13.8% share, while **Power Finance Corp** topped the domestic issuer ranking with a 12.8% share
- India **Domestic DCM** volume reached INR2.27tr for 9M 2017, up considerably on the INR1.53tr raised in 9M 2016. Activity increased to 369 deals during 9M 2017 from the 351 recorded for 9M 2016
- **International** issuance for 9M 2017 reached $14.6bn, compared with 9M 2016 volume of $8.5bn. Activity increased to 41 deals versus 30 deals for 9M 2016



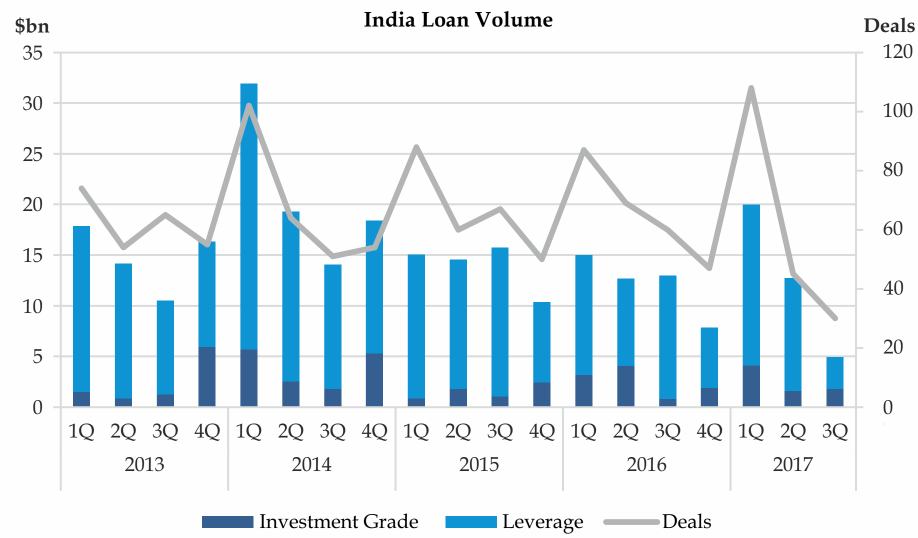


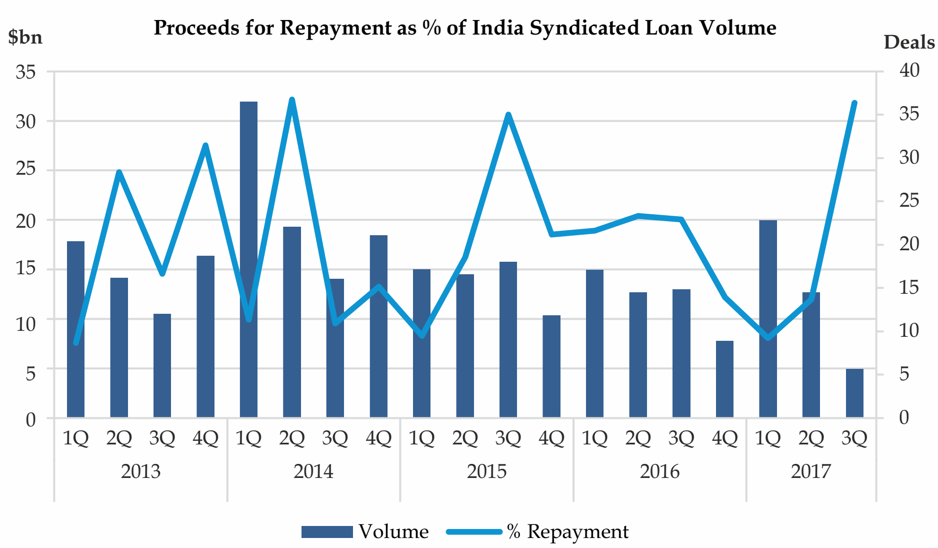


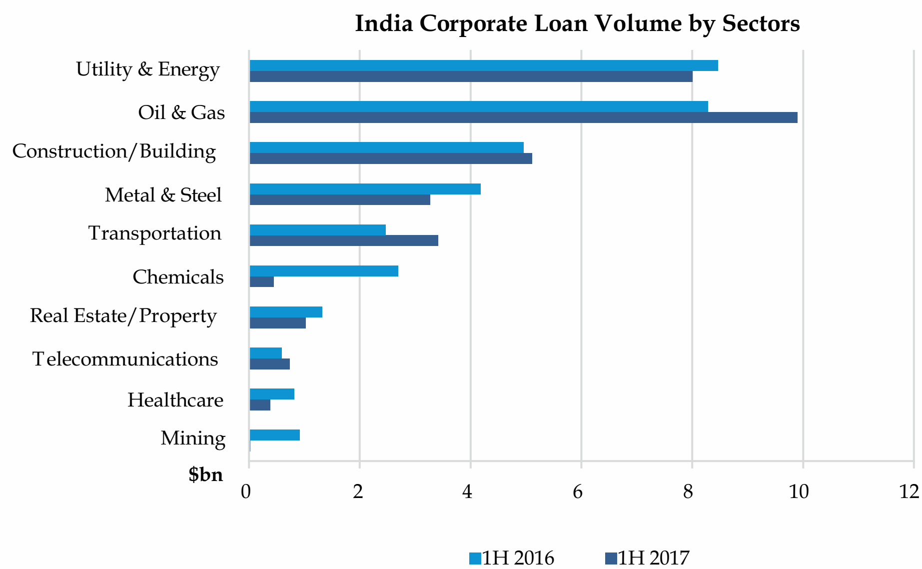
Note: 9M = First nine months

Loan Markets

- **India loan** volume reached $37.6bn (via 183 deals) for 9M 2017, down 7% on the $40.6bn (via 216 deals) for 9M 2016
  - ❖ **Leveraged** loan declined 8% to $30.1bn via 167 deals, compared to $32.5bn (via 199 deals) for 9M 2016
  - ❖ **Investment grade** loan volume was down 7% to $7.5bn (via 16 deals) versus $8.1bn (via 17 deals) for 9M 2016
- Among the corporate borrowers, **Oil & Gas** sector topped the industry ranking for 9M 2017 ($9.9bn) with a 28.6% share
- **HPCL-Mittal Energy Ltd.'s** $2.1bn leveraged deal arranged by **SBI Capital Markets** is the largest transaction for the first nine months of 2017







Note: 9M = First nine months

Project Finance

India Project Finance Loans Ranking 9M 2017				
Pos.	**Mandated Lead Arranger**	**Value $m**	**# Deals**	**% Share**
1	State Bank of India	7,582	29	50.2
2	Axis Bank Ltd	2,899	12	19.2
3	ICICI Bank Ltd	2,491	10	16.5
4	Yes Bank Ltd	715	9	4.7
5	L&T Finance Holdings Ltd	247	9	1.6
6	Bajaj Consultants Pvt Ltd	225	1	1.5
7	IDFC Bank Ltd	215	3	1.4
8	Bank of Baroda	141	1	0.9
9	Power Finance Corp Ltd	130	2	0.9
10	Hinduja Group Ltd	127	2	0.8

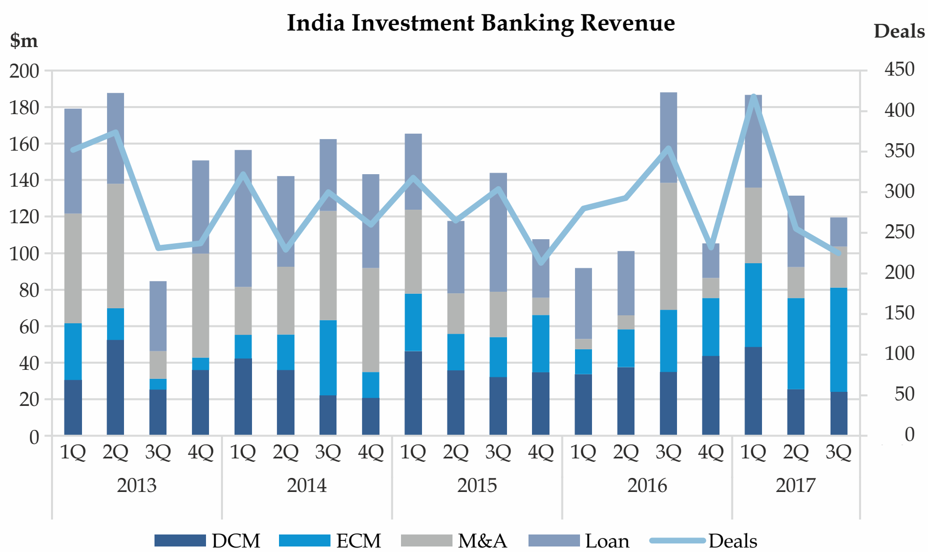
India Sponsor Ranking for Project Finance 9M 2017				
Pos.	**Sponsor**	**Value $m**	**# Deals**	**% Share**
1	Hindustan Petroleum Corp Ltd	1,740	2	6.1
2	Aditya Birla Management Corporation	1,736	1	6.1
3	Mittal Energy Investment Pvt Ltd	1,562	1	5.5
4	Jindal Steel & Power Ltd	1,137	1	4.0
5	Adani Group	1,099	9	3.8
6	GMR Infrastructure Ltd	1,064	2	3.7
7	Indian Oil Corp Ltd	824	2	2.9
8	Shapoorji Pallonji & Corp Ltd 6	63	2	2.3
9	ReNew Power Ventures Pvt Ltd	606	4	2.1
10	Sterlite Technologies Ltd	593	3	2.1

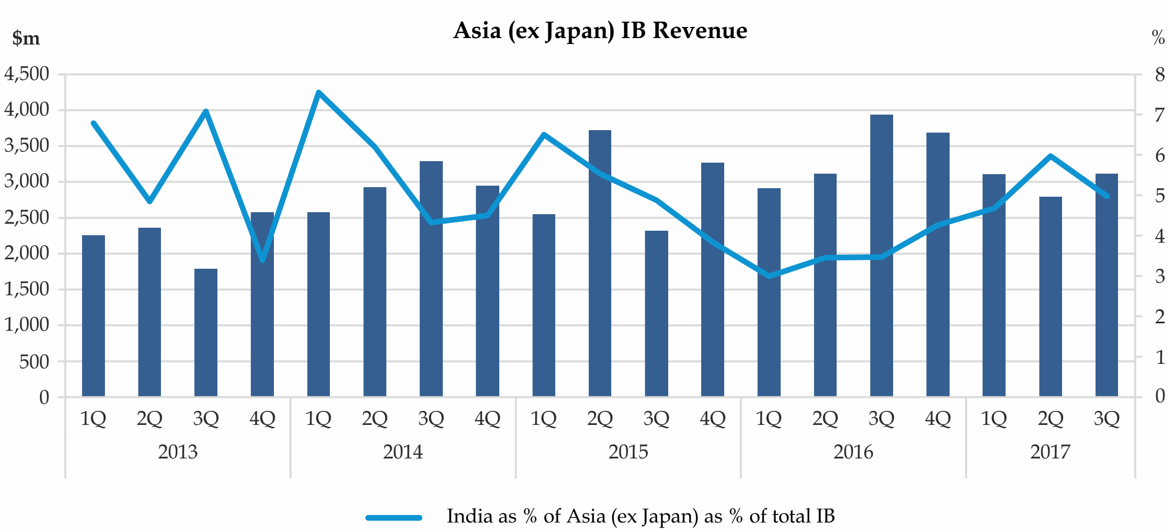
Top 10 Indian Project Finance Deals 9M 2017				
Financial Close Date	**Borrower**	**Project Name**	**Sector**	**Value $m**
26-May	HPCL-Mittal Energy Ltd	HPCL Mittal Refinery Additional Financing	Petrochemical/ Chemical Plant	3,123
27-Jun	UltraTech Cement Ltd	UltraTech Acquisition of Jaiprakash Group Cement Business Refinancing	Processing plant	1,736
31-May	Mumbai International Airport Pvt Ltd	Mumbai International Airport Modernization PPP Refinancing	Airport	1,413
29-Mar	Jindal Steel & Power Ltd	Angul 1.8MTPA Direct Reduced Iron Project Cost Overrun Financing	Steel mill	1,137
23-Feb	GMR Chhattisgarh Energy Ltd	GMR Chhattisgarh Power Plant Project Additional Financing	Power	874
22-Jun	MB Power (Madhya Pradesh) Ltd - MBPMPL	Anuppur 1200MW Thermal Power Project Refinancing	Power	767
24-Mar	GSPL India Gasnet Ltd	Mehsana Bhatinda Jammu Srinagar Pipeline Project Refinancing	Gas pipeline	713
10-Feb	IndianOil LNG Pvt Ltd	Kamarajar LNG Terminal Project	Oil Refinery/LNG and LPG Plants	646
24-Mar	Jindal United Steel Ltd	Odisha 1.13MTPA Carbon Steel Plant Project	Steel mill	578
30-Mar	Alaknanda Hydro Power Co Ltd	Alaknanda Hydropower PPP Project Restructuring	Renewable fuel	570

Note: 9M = First nine months

Investment Banking Revenue

- **India IB revenue** reached $438m for 9M 2017, up 15% on 9M 2016 ($381m)
- **Syndicated Loan fees** accounted for 24% of total India IB revenue for 9M 2017 with $106m which is down by 14% on the $124m for 9M 2016
- **DCM revenue** accounted for 22% of total India IB revenue for 9M 2017 with $98m which is down on the $106m for 9M 2016
- **M&A fees** accounted for 18% of the total India IB revenue for 9M 2017 with $81m which is down 3% on $83m for 9M 2016
- **ECM fees** accounting for 35% of the total India IB revenue, increased more than 100% to $153m for 9M 2017 from the $68m for 9M 2016





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Financial Sector Engagements

FICCI Business Delegation to Bangladesh accompanying Finance Minister Arun Jaitley

A high-powered business delegation led by Mr. Pankaj Patel, President, FICCI and Chairman and Managing Director, Zydus Cadila - Cadila Healthcare accompanied Finance Minister Mr. Arun Jaitley on his visit to Bangladesh on October 3 and 4, 2017 to enhance bilateral economic relations between the two neighbouring countries. Bilateral cooperation between India and Bangladesh has matured into a multifaceted one encompassing trade and investment, security, people-to-people exchanges and human resource development. At a time when the economy of Bangladesh is growing consistently and the Indian economy is experiencing significant economic reforms, the meeting of the business communities of the two countries was a constructive step towards further enhancing trade and investment and taking it to greater heights.

During the visit, India operationalized a US$ 4.5 bn line of

credit (LOC) to Bangladesh - its largest ever LOC to any country. This is India's third LOC for Bangladesh, taking the cumulative value over the last six years to US$ 7.36 bn. The signing of the third LOC agreement will enable the implementation of 17 pre-identified projects of developmental priority to Bangladesh in key sectors such as power, railways, roads, shipping, ports, etc. As with previous LOC agreements, the loan would be repaid over 20 years including a five-year moratorium, at a concessional interest rate of 1%.

Another highlight of the visit was the signing of a Joint Interpretive Note with Bangladesh for the Promotion and Protection of Investments.

During the visit, members of the FICCI business delegation participated in the panel discussion on 'India-Bangladesh Economic Relations - Current Status and Future Possibilities' that was co-organized by FBCCI and FICCI. The opening session of this seminar was addressed by Mr. Arun Jaitley and Mr. Tofail Ahmed, Commerce Minister of Bangladesh. Various potential areas of collaboration and partnership were discussed such as infrastructure, power, manufacturing, IT, skills, education and tourism.

In addition to the above engagement, several other meetings were held during the visit to provide a fillip to bilateral economic relations between the two neighbouring countries. Dr. Sanjaya Baru, Secretary General, FICCI held a series of meetings with several dignitaries including Mr. Farooq Sobhan, former Foreign Secretary, Bangladesh Mr. Takseen Ahmed - IBCCI President, Dr Khan Ahmed Murshid - Director General, Bangladesh Institute of Development Studies (BIDS) and Dr Gowher Rizvi, Adviser on International Affairs to the Prime Minister of Bangladesh. ■

FICCI Business Delegation to USA accompanying Finance Minister Arun Jaitley

A high-powered business delegation led by Mr. Pankaj Patel, President, FICCI and Chairman and Managing Director, Zydus Cadila - Cadila Healthcare accompanied Finance Minister Mr. Arun Jaitley on his visit to USA from October 11-14, 2017 to enhance bilateral economic relations between the two countries. During this visit, besides a series of high level interactions that were organised for the visiting FICCI delegation with senior representatives from the US state department and several other government agencies, there were two significant programs that were organised by FICCI.

A FICCI-NIIF-USIPF Investors' roundtable on "Indian Economy - The Road Ahead" was organised on October 11, 2017 at Boston. Participants at this roundtable included leading institutional investors from across North America and who are looking at the Indian market from a long-term perspective. The participants were addressed by Finance Minister Mr. Arun Jaitley on the ongoing reforms in the Indian economy and the outlook for growth in the medium to long term.

Further, an interactive seminar with Mr. Arun Jaitley, Finance Minister of India, on India Opportunity was organised on October 12, 2017 in Washington at the IMF headquarters. This was a new initiative and was organised with a view to present to the registered participants for the IMF-World Bank Annual Meetings with the

broad range of reforms that are being undertaken in India and to share perspective on the growth outlook for India. This seminar was attended by senior representatives from global banks, consultancy firms, research institutions, think tanks, institutional investors etc. with participants representing over 30 nationalities. Senior officials from the Ministry of Finance led by Mr. Subhash Chandra Garg, Secretary, Department of Economic Affairs as well as India's Executive Directors to the IMF and World Bank joined the Finance Minister for this interactive session. ■

FICCI - Fintech Delegation to Mobile & FinTech Innovation Summit, Tel Aviv, Israel

FICCI organized a business delegation to Israel focusing on the Fintech sector from October 30 - November 1, 2017. The overall objective of the delegation was to showcase India's thriving Fintech sector, outline opportunities for investments and present offer for partnerships across sectors having considerable potential such as payments, lending, wealth management, artificial intelligence, robotics and cybersecurity.

Israel has a mature fintech ecosystem with over 500 ventures that cater to local and global businesses. As India moves for greater digitisation, there is a huge potential for collaborations and partnerships in the Fintech sector between Indian and Israeli companies. The focused two and a half day event created opportunities for B2B meetings, networking and experiencing Israel's unique technology and innovation eco-system.

There is a keen interest in Indian Fintech & banking space among Israeli companies and there is lot of scope of collaboration between Israeli and Indian Fintech & Financial Institutions. FICCI team shared details of upcoming PICUP Fintech Conference during the interactions at the Summit and many companies have showed their interest to participate the upcoming programs of FICCI. ■

FICCI's 14th Annual Capital Markets Conference CAPAM 2017

14th edition of FICCI's annual flagship Capital Market Conference - 'CAPAM' - was organised on 6th September in Mumbai. After having commemorated 25 years of economic and capital market reforms in 2016; FICCI's 14th Capital Market Conference - CAPAM 2017 - focused attention on 'Envisioning the Next Phase of Capital Market'.

The Conference was inaugurated by **Mr. Ajay Tyagi**, Chairman, SEBI. In his Inaugural Address, Mr Tyagi expressed great hope and optimism for Indian capital markets given the stable macro-economic fundamentals, political stability and the recent structural reforms. Chairman cited an upward trend in equity oriented mutual funds and described corporate bonds and mutual fund investments as the "backbone of the investment mechanism in capital markets." Chairman laid focus on the importance of market integrity, observing that it is necessary to prevent fraudulent and unfair trade.

The day-long Conference saw some eminent speakers from the Government sharing their perspective on the development of capital market. These included Mr. Neeraj Kumar Gupta, Secretary, Department of Investment and Public Asset Management, Ministry of Finance; Mr. G Mahalingam, Whole Time Member, SEBI, Mr. Sujoy Bose, CEO, National Investment and Infrastructure Fund of India, Ms. Smita Jhingran, Secretary, Competition Commission of India, Mr. Sanjeev Sanyal, Principal Economic Adviser, Ministry of Finance.

CAPAM's discussion agenda brought to focus avenues to deepen the market, increasing retail and institutional participation, both domestic and foreign. Capital Market experts also deliberated on facilitative regulatory framework that would boost capital inflow; fuel infrastructure financing, expansion and growth. There were focused discussions on Disinvestment; cybersecurity; Regulatory Challenges; Stressed Assets Management and Infrastructure Financing.

Mr. Rashesh Shah, Senior Vice President, FICCI emphasised that the last few years have seen very important trends in financialisation of savings and mutual funds have had a major contribution in this shift. Fall in interest rates has also been important in driving financialisation. Mr Shah also observed that the bond market is growing at more than 30% and called upon capital markets to make use of this trend. In his theme address, Mr. Sunil Sanghai, Chairman, FICCI Capital Markets Committee, observed that 13th CAPAM had discussed achieving a market capital of USD 1.5 trillion. Less than a year from then, the figure has crossed USD 2 trillion. He took stock of the factors that contributed to this success. He remarked that a combination of stable macro-economy and political situation had facilitated low interest rates, low inflation and a stable currency. ■

L to R: Mr Rashesh Shah, Senior Vice President, FICCI; Mr Ajay Tyagi, Chairman, SEBI

FICCI-PFRDA Workshop on National Pension System

The government introduced a National Pension System (NPS) in 2004 based on the defined contribution philosophy. The objective was to create a professionally managed system with a large base of pension account holders across all sectors of the economy and centralized record-keeping. The system has been designed to provide wide range of choices to employers and fair market-linked returns to the account holders, thereby ensuring fair competition among professional fund managers.

Keeping in view the importance of the National Pension System, FICCI has endeavoured to organize awareness workshops across India as a concentrated outreach program for NPS promotion. These workshops were conducted to increase awareness on various aspects of the National Pension System (NPS) and encourage corporates to consider NPS as a key benefit that could be offered to their employees. While bringing out the beneficial aspects of the scheme, these workshops also showcased the experience of other organizations which have successfully adopted the scheme in their organization. In the last few months, FICCI and PFRDA organised workshops on National Pension System in Jaipur (September 18, 2017), Guwahati (October 13, 2017) and Bengaluru (November 10, 2017). ■

Conference on Institutional Participation in Commodity Derivative Markets

*L to R: - **Mr Jayant Manglik**, Chair, FICCI Working Group on Commodities and President- Retail Distribution, Religare Securities Ltd; **Mr Mrugank Paranjape**, Managing Director & CEO, Multi Commodity Exchange of India Ltd; **Mr Pradeep Menon**, Managing Director, Global Head of Investment and Advisory, Thomson Reuters; **Mr S.K. Mohanty**, Executive Director, Securities and Exchange Board of India*

The Conference was organised against the backdrop of the SEBI regulation permitting participation of Category III Alternative Investment Funds (AIFs) in the commodity derivatives market, the first category of financial institutions to participate in this market. One of the main objectives was to create a deeper level of awareness and build capacity amongst the AIFs, given that these institutions would be participating in this market segment for the first time. Mr S.K. Mohanty, Executive Director, Securities and Exchange Board of India was the Chief Guest at the conference. In his Inaugural address, he called upon big corporate houses to hedge on domestic commodity exchanges considering the upcoming institutional participation, instead of participating in overseas exchanges. He further said that Indian commodity derivatives are at an important phase, where they are looking to liberate themselves from various limitations present earlier.

The recent regulations in this space are basically setting the building blocks to develop a robust market like Increase in position limits, Allowing AIF's to come and invest more than a crore, conception of CDSL which allows to hold commodities in electronic form, distribution- allowing Bank subsidiaries to invest in derivatives would greatly benefit the market.

The day-long conference was addressed by delegates from international regulatory bodies, global and domestic financial services entities, as well as law, advisory and consulting firms from India and abroad.

The discussions during the day focussed on regulatory aspects for Institutional Participation in Commodity Derivatives Market and the Potential Products & Investment Strategies for Commodity Derivatives Market. ■

FICCI-IBA 16th Annual Banking Conference FIBAC 2017

FICCI-IBA Annual Banking Conference was organised in Mumbai on November 6-7, 2017 and was inaugurated by Reserve Bank of India Deputy Governor Mr N S Vishwanathan. Drawing insights from the book Homo Deus, he described the importance of data in today's digital world. The intersection of information technology, bio-genetics, artificial intelligence and nanotechnology is revolutionising the world at breakneck speed, and mankind may not be able to apply the brakes on it, he said. Digital brought a welcome change to the way of banking in India and the growth in digital has increased in recent times because of several policy changes and an enabling environment. In India, the environment is so conducive to digital adoption that one could say the country is in a very sweet spot in this area. This advantage, Mr Vishwanathan felt, can help India leapfrog over the developed countries. In the future, digital services will facilitate business even further with the introduction of a public credit registry. He went on to describe how digital will impact the banking and financial services industry. The relevance of banks' 'brick and mortar' branches is diminishing. Transactions are carried out digitally, and activities have become less labour intensive with centralised processing and KYC. Branches are now being replaced with banking outlets as the point of customer services. Payment banks now act as banking channels of regular banks. Their entry can revolutionise banking services. Many institutions now combine to provide financial services to the customer. The need for intermediation has reduced. Fintech's provide c-2-c services

without the bank being an aggregator. Customers now have a range of choices through the click of a mouse. "What took hours now takes a few moments", he added.

However, all these benefits also come with challenges. Cyber security is an issue. "Banks will have to put in place strong IT systems that prevent fraud," cautioned Mr Vishwanathan. He disclosed that two-stage authentication is an RBI-enabled framework to prevent fraud. Banks need to be alert to various risks and institutionalise mechanisms to deal with them. "As our digital footprint expands, the threat of cyber security cannot be ignored." The risks may be known, but the outcomes cannot be known fully.

He called upon banks to keep their customers well-informed about risks and measures to counter them. On the other hand, the digital ecosystem has brought advantages to the regulator, and enables policy-making. He informed the gathering that RBI is working with banks to create an automated data flow system.

Several senior bankers and members of FICCI were present at the conference which saw participation of over 650 delegates and over 70 speakers from India and other countries. Some of the senior banking sector representatives who joined at FIBAC 2017 were Mr Jatinderbir Singh, IAS, Chairman, IBA and Chairman and Managing Director, Punjab & Sind Bank, Mrs Usha Ananthasubramanian, Deputy Chairperson, IBA and CEO, Allahabad Bank, Mr Rajnish Kumar; Chairman, State Bank of India, Ms Chanda Kochhar, MD and CEO, ICICI Bank, Mr C S Ghosh, MD and CEO, Bandhan Bank, Mr Vishwavir Ahuja, MD and CEO, RBL Bank, and Ms Zarin Daruwala, CEO – India, Standard Chartered Bank, Mr Dinabandhu Mohapatra, MD and CEO, Bank of India, Mr Sunil Mehta, MD and CEO, Punjab National Bank, Mr Rajkiran Rai G, MD and CEO, Union Bank of India; Mr P R Seshadri, MD and CEO, Karur Vysya Bank; and Mr P V Ananthakrishnan, Country Head and ED, United Overseas Bank. ■


- **FICCI Submission to the SEBI on Infrastructure Investment Trusts**

  A submission was made to the Regulator highlighting certain challenges faced by issuers of InvITs w.r.t. post-listing obligations and preferential allotment of units, along with recommendations to overcome the same.

  The suggestions have been made with the objective of facilitating growth of such trusts by attracting more investors, thereby improving financing for Indian infrastructure.

- **FICCI Submission to the SEBI and MCA on the Report of the SEBI Committee on Corporate Governance (chaired by Mr Uday Kotak)**

  Earlier this year, SEBI had constituted a Committee on Corporate Governance, chaired by MrUday Kotak, with the aim of improving standards of corporate governance of listed companies in India. The recommendations has made extensive recommendations in terms of disclosure requirements, appointments to the Board and its committees, related party transactions etc.

  The overall governance standards of Indian companies are well- recognized across the world and the Indian legal and regulatory framework for protecting minority investors has been ranked at #4 amongst 190 economies by the World Bank in its Ease of Doing Business Report 2018. This is largely on account of widespread changes to the compliance framework for companies mandated through the new Companies Act, 2013 and SEBI (LODR) Regulations, 2015. It has thus been strongly suggested by FICCI that the recommendations of the Committee should be reviewed. If implemented, these recommendations would make compliance extremely onerous and costly for listed companies. Based on feedback received from stakeholders, detailed comments have been submitted to SEBI and Ministry of Corporate Affairs in this respect.

- **FICCI Submission to the Ministry of Corporate Affairs on Layering of Subsidiaries**

  The Ministry of Corporate Affairs (MCA) had vide its Notification dated 20th September, 2017, notified proviso to section 2(87) of the Companies Act, 2013, pertaining to restriction on layers of subsidiaries as well as Companies (Restriction on number of layers) Rules, 2017. FICCI has made a representation to the Government seeking certain carve outs in view of genuine concerns of industry with respect to the restriction and its impact on ease of conduct of business.

- **FICCI Submission to MEITY on enhancing digital transactions India**

  FICCI submitted suggestions to MEITY to enhance digital transactions in India. The submissions encompassed introduction of disincentives for cash, incentives to boost digital transactions amongst merchants and consumers, regulatory measures, supporting infrastructure, greater integration for ease of digital payments, promoting the use of bharatQR, robust grievance redressal mechanism, ease of transfer for electronic payments and measures to promote merchant on-boarding. ■

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FICCI's 19th Annual Insurance Conference

"India Insurance – The Next Wave of Growth and Efficiency"

09:00 Hrs, Friday, 19th January, 2018
ITC Grand Central, Parel, Mumbai

#FINCON 2018

Inaugural Address

Mr T S Vijayan
Chairman, IRDAI

About the Conference #FINCON 2018

The Indian insurance sector has undergone transformative changes over the last few years. There has been greater inflow of foreign investments, companies have gone for IPOs and listings, there has been a lot of emphasis on digital channels to extend the reach of distribution as well as a spate of product innovations to suit the requirements of different segments and sets of consumers in the best possible manner. In this background, FICCI is organising the 19th edition of its Insurance conference on the theme "India Insurance – The Next Wave of Growth and Efficiency"

FINCON is seen as an important platform by industry leaders to come together, deliberate and share perspectives with the participants and forge the way ahead for the sector.

Why Attend?

- One of the leading insurance conferences in Asia
- Backed by India's most important financial institutions
- Advocacy of policy agenda
- Hear from renowned speakers from across the globe on the theme of the conference
- Obtain compendium of articles on contemporary issues by insurance industry leaders
- Network and develop key contacts

Who Should Attend ?

- Chairmen, CMDs, CEOs, CFOs, COOs and senior corporate executives of insurance, bancassurance and financial services sector.
- Investment bankers and financial advisors
- Corporate finance professionals
- M&A advisors
- Consultancies
- Private equities and venture capitalists
- Policy makers and regulators
- Corporate agents and broking firms
- Educational institutes/academicians

Key Sessions

Session I	Session II	Session III	Session IV
Value management in a post-listing world	Building a digital insurance business	Digitisation of core operations	Evolving distribution dynamics

Our Partners in 2016

LIC · HDFC Life Sar utha ke jiyo! · KHAITAN LEGAL ASSOCIATES INDIAN ADVOCATES · TATA AIA LIFE · GIC Re · IDBI FEDERAL · kotak Life Insurance · IndiaFirst LIFE INSURANCE · NEW INDIA ASSURANCE · TransUnion CIBIL · pnb MetLife

For participation and partnership opportunities, please get in touch with
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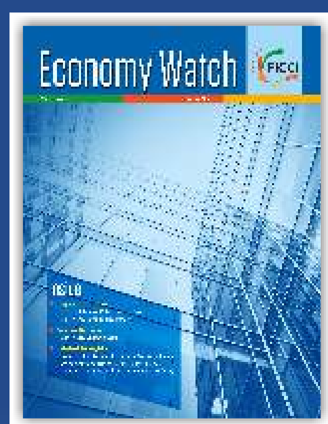
Economic Affairs & Financial Sector Publications

Productivity in Indian Banking 2017:
Hidden Treasure- How Data Can Turn
The Fortunes For Indian Banks
November 2017

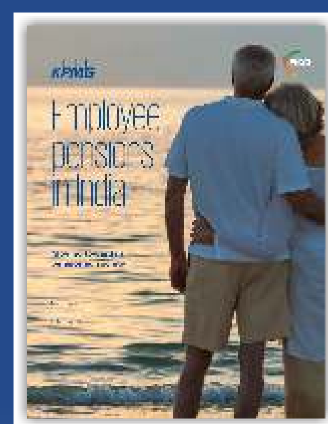
CAPAM Knowledge Paper: The Experts'
Voice - A compendium of articles
September 2017

Financial Foresights : Mergers &
Acquisitions The Changing Paradigm in
the M&A Landscape in India
July 2017

Financial Foresights : Digital Banking
New horizons in a Cash - Light India
April 2017



Economy Watch
October 2017



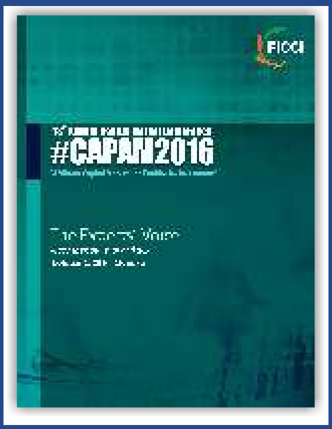
Employee pensions in India
Moving towards a pensioned society
March 2017

18th Annual Insurance Conference
FINCON 2017 proceedings
"The Changing Face of Indian Insurance"
March 2017

Financial Foresights :
Leveraging the FinTech
Opportunities in India
January 2017

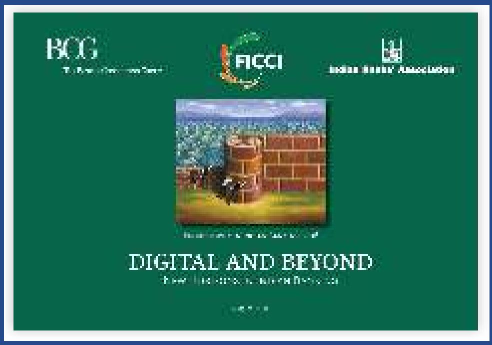
Economy of Jobs
December 2016

Economic Affairs & Financial Sector Publications



CAPAM Knowledge Paper:
The Experts' Voice - A compendium of articles
October 2016

FIBAC 2016 Proceedings –Digital and
Beyond: New Horizons in Indian Banking
August 2016



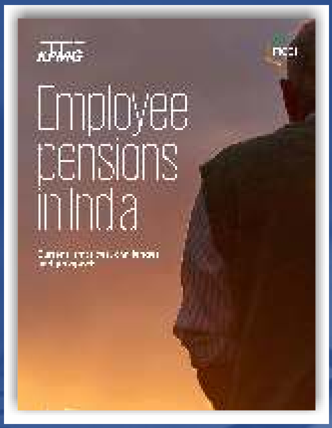
Productivity in Indian Banking 2016
Digital and Beyond:
New Horizons in Indian Banking
August 2016

FIBAC 2016- New Horizons
in Indian Banking
A compendium of articles
August 2016

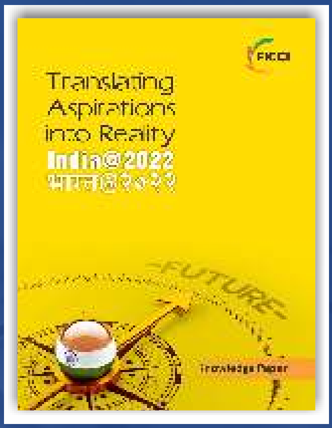
Indian Insurance and
Sustainable Development
April 2016

The Changing Face
of Indian Insurance
January 2016

17 Annual Insurance Conference
FINCON 2016 proceedings
"The Changing Face of Indian Insurance"
January 2016



Employee Pensions in India
Current practices,
Challenges and Prospects
December 2015



Translating Aspirations into
reality – India @2022
December 2015

SMART STATEMENT SMARTER ANALYSIS

NSDL-CAS (Consolidated Account Statement):

A single Consolidated Account Statement for all demat account holders to view all their investments in the securities market (namely equity shares, preference shares, mutual funds, Sovereign Gold Bonds, debentures etc.). This information rich statement enables effective monitoring of demat portfolio. It is available both in physical and electronic form.

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Financial Foresights Distribution & Readership

The publication is presently disseminated online to a large set of audience of over 5000 people.

The readership mainly comprises:

- FICCI members across the country
- Economists & academicians
- Senior government officials
- Members of the diplomatic community (India and abroad)
- Policy experts

The electronic version of the publication is also disseminated globally through FICCI's international offices.

Partnership Opportunities

There are various options available for partnering with FICCI's quarterly publication Financial Foresights

Principal Partner (6 Lakh INR) - Benefits

- Inside front cover page advertisement in each issue
- 5 complementary delegate passes in any three of the financial sector conferences (Banking, Fintech, Capital Markets, Insurance & Pensions)

Co-Partner (3 Lakh INR) - Benefits

- 1 full page advertisement in each issue
- 3 complementary delegate passes in any three of the financial sector conferences (Banking, Fintech, Capital Markets, Insurance & Pensions)

Advertisement in Financial Foresights

Advertisements for print & online version per issue of the publication

Special positions - colour advertisement	Rate (Rs)
Inside front cover/inside back cover	1,50,000
Full page (other than inside front/ inside back cover)	1,00,000
Half page (other than inside front/ inside back cover)	60,000

Partnership Benefits

1. **Strong brand image**

   FICCI is the largest and oldest apex business organisation in India with a strong brand image. Association with FICCI would therefore help in creating a stronger brand image for the partner.

2. **Large reach**

   FICCI has an extensive membership base across the country including various regional chambers of commerce in India. This would enable the sponsor to increase its brand reach manifolds and target the key decision makers in the field of business, finance and economy.

3. **Activity throughout the year**

   As the publications are circulated every three months, the partner would be able to enjoy repeated visibility through the year.

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