

Banks have to make themselves socially relevant to stay in the reckoning: RBI Dy. Governor, R Gandhi

MUMBAI, August 17, 2016. Mr. R. Gandhi, Deputy Governor, Reserve Bank of India, today exhorted banks to take full advantage of technological developments and tailor them to the needs of the customer. He called for a positive shift by banks towards becoming socially relevant entities, else they run the risk of being edged out.

Delivering the **valedictory address** at the two-day annual **FICCI-IBA Conference, FIBAC 2016**, Mr. Gandhi urged banks to pull up their socks and address the emerging trends in the banking sector which were being dictated by technology, regulation and customers.

He said technology and customer expectation have chunked away banking functions from banks. This was because banks no longer do banking exclusively, non-banking institutions and fintech companies were getting into their domain strongly. This does not bode well as it had all the potential to de-grow banks and ultimately decimate them, he cautioned.

Mr. Gandhi said the millennials crave for instant gratification and have a 'no loyalty' approach. The banking industry would therefore have to change the way it conducts business to cater to the needs of Gen X.

He said the solutions offered by fintech companies were effective and therefore they possess a disruptive power that banks would have to contend with.

The Deputy Governor's mantra was to "make yourselves socially relevant" to avert the onslaught of technology, regulation and customer preferences.

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