

INTERVIEW: NITIN CHUGH

SENIOR VICE PRESIDENT, HDFC BANK

We are digitising entire bank, simplifying the process

HDFC Bank has been one of the frontrunners in digitising the banking process. According to data published by the RBI, HDFC Bank was second among all scheduled commercial banks in India in January in terms of transactions done on digital platforms such as the National Electronic Fund Transfer (NEFT), Real-time Gross Settlement (RTGS) and mobile-based applications. These transactions totaling over ₹13 lakh crore.

The bank also launched two mobile-based applications last year - Chillr and PayZapp - both of which have clocked over a million downloads each. It is now looking to partner with start-ups and small financial technology companies for customer-centric internal and external solutions. Nitin Chugh, senior vice president and head of digital banking, speaks to Pranay Lakshminarasimhan about how HDFC Bank is looking to accomplish this, what is the ideology behind the digital initiatives and how it is now looking to completely digitise the banking process for its customers. Excerpts...

What are you now looking to do to enhance your digital presence?

We are doing everything. We are saying that banking itself is digital rather than identifying it as a separate space within the banking process. We are doing things across the whole spectrum - be it the lending side, the payments side, the transaction banking side, deposit side, branch automation side or using our existing channels like ATMs to communicate with the customers. So we are looking to digitize the entire bank and we have done most of it already. Anything new that fits into the overall blueprint that we have, which is to make the whole offering to the customer, which is already relationship-based, if we can make it richer, more comprehensive and simpler, we will consider it.

According to you, what should banks be focusing on in terms of digitising their processes?

I believe everyone has different views on this. Nobody is in a position to risk telling another bank that this is the way to go and



this is what you should be doing. I think the way we are trying to do it is that we have kept the customer as our centre point and everything revolves around the customer. I think just having that one check-box in mind is helping us make sure that we are not getting into things which add a lot of frill value but they don't add any intrinsic value to the relationship. So we are not in the business of launching apps, we are not into rolling out initiatives, we are not trying to just set up something to say that we are there. We are digitising the entire bank, which is as

much internal as it is external.

So what would this involve and what have you already accomplished in that direction?

So even an account opening process will be digitized completely at our branches, by making it a 5-10 minute process. We have introduced e-KYC (know your customer), we have come with new means to port the KYC information quickly to the back office, verify the KYC immediately and activate the account. Those are workflow changes. They don't need a new kind of a solution to be brought in. Account opening happens with a face-to-face interaction even today. Either customers come to our branches or we go to their doorsteps and give them handheld terminals to complete the KYC process. Our view is very simple and clear - whatever we do today, we must keep simplifying the process and digital allows you to do that.

HDFC Bank launched two mobile apps last year - Chillr and PayZapp. How are they doing now and what kind of scope do

they have going forward?

Chillr has received an excellent response as it helps in transferring money to friends and making purchases. Going forward we see the use of Chillr accelerating which is in line with the overall trend of the Bank leveraging different digital banking platforms to provide access and convenience to customers. Coming to the second point, More than 10 lakh persons have downloaded this app and they are using it on their mobiles. It is a complete payment solution and can be used to make payments even at grocery shops. Within PayZapp resides Smart Buy, a one-stop shop for shopping across segments like travel, movies, and groceries, among other things.

Last week, you conducted the digital innovation summit, looking to identify small financial technology companies and startups you could partner with for new solutions. What has the response been like?

We actually put out an application process about a month and a

half ago, put out a micro site and gave people the opportunity to apply. We reached out to them and asked them to apply and some 105 people sent their applications. We've filtered out based on the broad areas that we mentioned to them and we chose around 30 final applicants from the process. While we would like to pick the best 3, we could increase that number to 5 or even 10 if the solutions presented meet our requirements and fit into our plan. We are looking for solutions that we could offer to our customers. So based on that we will partner with them and really speaking, it is only creating a market linkage with these people wherein they would have a solution or a product and we would like to use it and offer it to our customers, nothing beyond that. They could be in the space of payments, they could be in the space of mobile banking, they could be related to branch automation or analytics for that matter. This is a customer-centric initiative because even if we pick an internal solution the idea will be that it has to impact our customers.