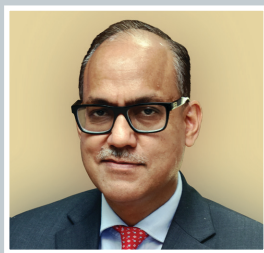


LEADERS CODE: HOW SBI RESPONDED TO CHALLENGES WITH AGILITY AND RESILIENCE WHEN COVID-19 HIT US

With the stay-at-home mandate and new protocols being put in place, SBI had to reimagine customer journeys in tandem with the restrictions imposed during COVID-19.

Almost every industry was severely impacted by the COVID-19 pandemic. Following the uncertainty due to strict lockdown measures and the magnitude of the crisis, organisations went into a tizzy, finding ways to keep the operations running and enable work from home smoothly.



Ashwini Tewari, MD - International Banking, Technology and Subsidiary, SBI

Different sectors had to overcome unique and first-of-its-kind roadblocks and overcome two main challenges: keep the business running and ensure safety of their workforce. Banking institutions too weren't immune to the disruption and had to draw practical roadmaps to cater to customers and safeguard their employees. Many extended medical aid and even facilitated treatment of employees who fell ill.

"We have seen over 2+ billion transactions happening through UPI, and the channels were not yet ready to handle this unprecedented spike. These were testing times, and we had to adopt new and innovative methods to keep serving customers."

– Ashwini Tewari

As various banks took up the challenge on a war-footing, one of India's largest banks, the State Bank of India (SBI) too

re-imagined its operations and adopted digital strategies to keep serving the customers. In terms of overall business, SBI did 70 to 80 percent volumes of pre-COVID-19 levels in 2020. Its digital journey too has been noteworthy, as compared to other public sector banks, with the YONO app seeing 2.9 million registrations in the June-ended quarter when the pandemic hit.

Tackling the COVID-19 Crisis

SBI, with 22,000+ branches serving 44 crore customers, had to take on the disruption with a twin focus. One, to create new avenues for customers to keep gaining access to banking facilities even in a world of social distancing. Two, the leadership had to institute changes in business processes and create measures to protect the health of their employees and the customer.



Ravindra Pandey, DMD Strategy and Chief Digital Officer, SBI

Ashwini Tewari, MD - International Banking, Technology and Subsidiary, SBI, shares, "The crisis required the entire banking industry to steer its overall approach. While traditional banking channels had to stay up and running, with huge dependencies on ATMs and other banking infrastructure, we also focused on digitisation in banking. We have seen over 2+ billion transactions happening

through UPI, and the channels were not yet ready to handle this unprecedented spike. These were testing times, and we had to adopt new and innovative methods to keep serving customers."

Riding the Digital Wave

As SBI turned its focus towards digital, its share of transactions through digital—comprising YONO, internet, mobile and UPI—was up to 62 percent, while only 7 percent was through the branch, and 20 percent through ATMs in June 2020.

Ravindra Pandey, DMD Strategy and Chief Digital Officer, SBI, explains how COVID-19 accelerated the pace of digitisation in banking. "Business processes and technology had to be intertwined and agile to mitigate uncertainties that came with COVID-19. The updates that were taking place helped change the perception of SBI from (being a) traditional bank to a digitally-savvy bank."

To explain how major initiatives were taken at SBI to minimise the impact of changes happening due to the pandemic, Anup Mahapatra, DMD and CIO, SBI, said, "Communication between leadership and staff was a key challenge, as the staff members and branches working from different locations had to maintain efficient communication. To mitigate this, we adopted web conferencing and digital



Anup Mahapatra, DMD and CIO, SBI

means to stay in touch and organised more than 4 lakh team meetings online."

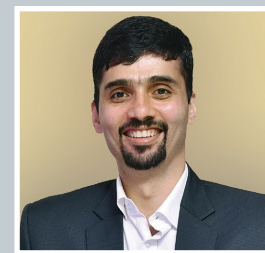
With the stay-at-home mandate and new protocols being put in place, SBI had to reimagine customer journeys in tandem with the restrictions imposed during the pandemic. One of the notable initiatives they launched was YONO Cash, which allowed customers to withdraw cash from the ATM without punching any buttons or using an SBI debit card. You could simply install the YONO SBI app and initiate the cash withdrawal process by entering a pin. This not only ensured people didn't have to touch any surfaces and increase their exposure risk to the virus, but it also provided added security and reduced the possibility of any fraudulent activity.

"Looking back at SBI's two-decade relationship with IBM, SBI's leadership team has always cultivated a culture of innovation with a focus on driving outcomes. Their constant quest to move from good to great is inspiring."

– Lula Mohanty, IBM

Sunita Handa, CGM, Channels, SBI, adds, "Digital was one of the key channels for ensuring banking processes functioned optimally despite changing landscape. Several processes that needed customers to visit the bank or the ATM have now been automated and digitised. Several of these products are the first of its kind, and customers are extremely pleased with the overall investments in digital."

Lula Mohanty, General Manager of Global Business Services, IBM Asia Pacific, believes that a lot of

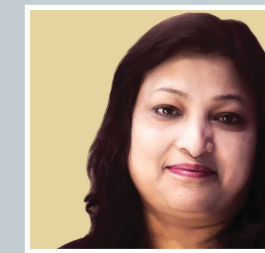


Amol Pai, CTO, SBI

how organisations react to disruptive events depends on the leadership team. "Banking has seen several disruptions and (an) increasing adoption of FinTech to create a futuristic, digital presence. As per an IBM study that interviewed 170 banking CEOs, the strategic focus for banks is: purpose (need to elaborate what purpose are we referring to here), access to open ecosystems, and data sharing."

Another key launch was SBI Pension Seva—a dedicated website for pensioners of the bank. Pensioners are required to submit their Life Certificate each year at the bank to certify that the pensioner is alive. Since senior citizens, who are more vulnerable to the virus, were safer being at home, SBI offered video verification to allow pensioners to submit their life certificate.

Amol Pai, CTO, SBI, also discussed some of the updates in internal processes as, "The major challenge during the pandemic was working in remote or work from home environments. With policies and systems in place, we managed the security aspects of protecting sensitive data while allowing staff to work safely from home. Most of the updates being



Lula Mohanty, General Manager of Global Business Services, IBM Asia Pacific

made will have a lasting impact and are here to stay, as banking will see much more digital acceleration."

Talking about how SBI's digital strategy changed in the past year, Ravindra Pandey explains, "It was imperative for us to digitise the entire workforce and provide them with digital literacy tools, as well as ensure end-to-end digitisation of processes. We also worked towards building a customer lifecycle ecosystem that enables them to go beyond simply

procuring a product (such as a home or car loan) and providing them with assistance on every step of their journey. The other need of the hour was to create a partnership ecosystem where both partners drive value from one another."

The focus on enabling ease of banking despite the crisis, created an evolution in banking processes and helped overcome the challenges faced by the leadership. Among the few positive outcomes of this crisis are the opportunities it has brought in the realm of learning, and technological transformation, which will only expand as we move forward.



Sunita Handa, CGM, Channels, SBI

Partnering with clients

Being one of India's largest banks, SBI is unlikely to witness major disruptions this year. Lula Mohanty, General Manager of Global Business Services, IBM Asia Pacific, believes that a lot of how organisations react to disruptive events depends on the leadership team. "Banking has seen several disruptions and (an) increasing adoption of FinTech to create a futuristic, digital presence. As per an IBM study that interviewed 170 banking CEOs, the key objectives for banks are: actions that focus on shared purpose, access to open ecosystems, and secure sharing of data."

SBI shared valuable insights about minimising the disruptions resulting from COVID-19 and maximising transformative changes as part of The Leader's Code, a series spanning across Moneycontrol.com, CNBC-TV18 and Forbes India in partnership with IBM to better understand how leaders coped with the extraordinary demands set forth for them, and which strategies proved successful.