

# StanChart to start tablet-based banking

## SCB goes for massive digitisation to take paperless banking to customers

MD FAZLUZ RAHMAN

STANDARD Chartered will roll out "tablet banking" in Bangladesh this month as part of its efforts to reach out to clients digitally and giving them more convenience, said a top official.

In tablet banking, a bank equips its staffers with tablet-based sales and service tools and sends them to customers' doorsteps.

"Digitisation is inevitable. It is the way everybody wants to work and it is the way we all are changing our lives," said Karen Fawcett, chief executive of retail banking for Standard Chartered.

"Our plan is to bring Bangladesh up to the global standards in terms of digitisation," she told The Daily Star in an interview in Dhaka last week.

The London-based bank first launched its tablet banking, which is termed as the next big thing in the banking sector globally, in South Korea in 2014, using various types of databases such as social security numbers and taxation the country has in place.

The tablet-based sales and service platform allows bank staff to provide a banking experience at a customer's environment. It operates over a secure internet connection which does not require physical connections, and thus enables a flexible branch layout design.

This enables paperless processes such as customer account opening or loan applications in a wireless environment, aiding what increasingly matters to banks -- close customer-proximity banking that increases process efficiency and ultimately improves customer service and bottom line performance.

In tablet banking, the bank's salespersons take photos of national identification cards of prospective clients and that information goes straight into the government database for verification. In this process, an account opens within five minutes.



Right, Karen Fawcett, chief executive of retail banking for Standard Chartered, speaks to The Daily Star, while Aditya Mandloi, head of retail banking for the bank's Bangladesh operations, looks on.

"If we can get connected with the same national database in Bangladesh and bring our latest technology, the service level to the clients will go up enormously," said Fawcett.

Standard Chartered Bangladesh (SCB) has already received permission for using the NID, and hopes to fully leverage this opportunity for making its operations more efficient.

"Tablet banking will be completely paperless," said Aditya Mandloi, head of retail banking for SCB.

For making credit cards available for prospective clients, salespersons of SCB will visit prospective clients, note down everything on tablets, take photos of the documents and walk away without taking any documents.

"You will get your credit cards a few

days later," said Mandloi.

Fawcett said the bank is re-launching its online banking and mobile platform later in the year.

"That's a very important initiative. We are also expanding our ATM network."

She said the opportunities for countries such as Bangladesh to adopt all these technologies will improve services to clients enormously. The convenience factor is very exciting and will bring down the cost of doing business.

She said developed nations have digitised their banking systems to lower the cost of doing business.

Bangladesh is the eighth largest market for Standard Chartered and an old client, stretching back to 1905.

"Bangladesh is an incredibly important business for us. It is one of the businesses we are very proud of. We have a broad set of clients for a long period. It is the business we are looking to invest in and grow," said Fawcett.

She said the bank is investing heavily across the world in wholesale and retail business to make sure that it can bring the clients better services.

Fawcett, 53, said many people own smartphones and tablets with internet connections and the bank would try to make life easier for customers.

Fawcett is aware of the risks of cyber attacks like the ones Bangladesh Bank faced in February, saying they have put in place state-of-the-art

firewalls and security systems.

The bank is also shifting towards chip cards from magnetic stripe-based cards within April to make sure the system is more secure.

Standard Chartered has operations in 70 countries mainly in Asia, Africa and the Middle East and plans to expand footprint in the markets, because of the growth opportunity in the regions and immense trade flows.

In Bangladesh, the bank will continue to remain very visible in the retail segment. Bangladesh is one of the major markets for the bank and is in the process of tripling the amount of investment in the retail segment.

"We are going to invest heavily in the digital side of the business," said Fawcett, adding that the bank spends \$100 billion a year on the digitisation process globally.

The retail banking operation is launching a number of new products and upgrading the credit card capabilities.

SCB now has 26 branches and 88 ATMs across the country. It plans to increase the number of ATMs by 20 percent this year.

Mandloi said the bank would focus on mobile financial services in the rest of the year or early next year. The bank will work with established players in the mobile payment space rather than creating a new one.

About the model on mobile payment system, Fawcett said there are examples of telecom and other technology companies who are coming in the payment space. "Different countries have different models. It has not yet settled on one model."

Retail banking contributes 30 percent to the overall revenue of Standard Chartered globally.

Fawcett, who earned her MBA from INSEAD and her MA in economics from the University of Cambridge, said the bank is investing in the areas of retail and private banking, in people, new products, systems, cyber security and anti-money laundering.

## China internet regulator says web censorship not a trade barrier

REUTERS

CHINA'S online censorship system protects national security and does not discriminate against foreign companies, the country's internet regulator said, after the United States labelled the blocking of websites by Beijing a trade barrier.

The U.S. Trade Representative (USTR) wrote in an annual report that over the past year China's web censorship has worsened, presenting a significant burden to foreign firms and internet users.

China has long operated the world's most sophisticated online censorship mechanism, widely known outside the country as the Great Firewall, though USTR had not listed it as a trade impediment since 2013, when Xi Jinping became China's president.

The Cyberspace Administration of China (CAC) said that its online censorship did not target specific countries or violate its trade commitments.

"The aim of the internet security inspection system is to guarantee the security and controllability of information technology products and services, safeguard user information security, and strengthen market and user confidence," CAC said in a fax to Reuters late on Friday.

"China scrupulously abides by World Trade Organisation principles and its accession protocols, protects foreign enterprises' lawful interests according to law, and creates a fair market environment for them," the regulator said.

## OECD indicator flags easing growth in key economies



Heads of international economy and finance organisations arrive for a news conference with German Chancellor Angela Merkel in Berlin on April 5.

REUTERS

GROWTH is seen easing off in major advanced economies, the OECD said on Monday, with the outlook continuing to deteriorate in the United States and Britain while the German economy is losing steam.

The Paris-based Organisation for Economic Cooperation and Development said its monthly leading economic indicator, a measure designed to flag turning points in the world economy, showed signs of stabilization in China, India and France.

"The CLIs (composite leading indicators) continue to point to easing growth in the United States, the United Kingdom, and Japan, with a similar outlook now expected in Germany and Italy," it said in a statement.

"In India and France, growth momen-

tum is stabilizing. Signs of growth stabilization are also emerging in China and Canada," it said.

On an index where 100 represents the long-term average, the OECD said the reading for OECD countries as a whole edged down to 99.6 in February from 99.7 the month before.

The euro zone economy remained at 100.5 in its latest review of conditions, with the indicator for France stable at 100.9 while it dipped for Italy from 100.8 to 100.7.

The U.S. reading edged lower, to 98.9 from 99.0, while the UK reading dipped to 99.1 from 99.2. Germany's indicator dropped to 99.7 from 99.8.

China stood at 98.4, unchanged from the previous month. Brazil's reading remained at 97.7 while Russia stabilized at 98.2.

## EU to make big firms come clean on tax

BBC NEWS

PLANS to force the largest companies to disclose more about their tax affairs will be unveiled by the European Union on Tuesday.

Britain's EU Commissioner, Lord Hill, is set to present the rules, which will affect multinational firms with more than €750m (£600m) in sales.

They will have to detail how much tax they pay and in which EU countries.

The plans come amid heightened scrutiny of the use of tax havens following the Panama Papers revelations.

Lord Hill, the EU's financial services commissioner, said: "This is a carefully thought through but ambitious proposal for more transparency on tax."

"While our proposal on [country-by-country reporting] is not of course focused principally on the response to the Panama Papers, there is an important connection between our continuing work on tax transparency and tax havens that we are building into the proposal."

Country-by-country reporting rules already apply to banks, mining and forestry companies, according to an EU spokesperson.

Under the new proposals, that would be expanded to cover companies accounting for about 90 percent of corporate revenues in the EU, they added.

The BBC understands that companies will need to disclose information such as total net turnover, profit before tax, income tax due, amount of tax actually paid and accumulated earnings.

The changes come after G20 leaders agreed to follow an OECD action plan to tackle corporate tax minimisation.

## Tech start-ups snap at the heels of Asian private bankers

REUTERS, Singapore

SCANNING a bank statement into a computer may not sound particularly high-tech, but it's unsettling some of Asia's private bankers.

By aggregating all the monthly statements mailed to high net worth individuals on the multiple accounts they hold at different institutions, Singapore start-up Mesitis offers clients a single window on their holdings.

"There's a need for this," says Pooja Gurbani, a Singaporean in her 30s who handles tens of millions of dollars of family money. "It makes us see more, it makes us more intelligent investors."

With 4.7 million high net worth individuals - typically those with \$1 million in liquid financial assets - Asia-Pacific is the largest and fastest growing wealth region, according to Cap Gemini and RBC.

But its private banking industry is only slowly waking up to the demands of a new, tech-savvy generation of wealthy clients and family offices, creating opportunities for financial technology, or fintech, start-ups.

Gurbani said she was so impressed with the Mesitis service that she ditched her private banker and even invested in the firm, one of a handful of start-ups across Asia looking to disrupt the traditional wealth management business.

For sure, sending statements to a third party and viewing holdings online won't appeal to everyone, especially ultra high net worth individuals - those with at least \$30 million of investable assets - and Mesitis says it is not regulated.

Feeding paper statements into a scanner may seem low-tech, but it gets around the lack of application programming interfaces (APIs) that many banks and financial institutions in the United States offer to allow third-party access to data.

That level of digital integration hasn't taken off in Asia, prompting regulators such as the Monetary Authority of Singapore (MAS) to prod banks to do more.

"You don't really have a choice because we're already here," Mesitis'

co-founder and CEO Tanmai Sharma told a recent banking event hosted by the MAS. "This is do-able and absurdly easy."

Sharma's company is now running trials at three private banks to integrate its software into their systems, but he says most of his firm's business is directly with banks' clients.

Private banks are cautiously taking note. Clients in Asia are digitally tuned-in and the region's billionaire wealth will overtake that of the U.S. within a decade, a UBS study predicts.

UBS, the world's biggest wealth manager, is evaluating Mesitis' Canopy service, Ketan Samani, chief digital officer at UBS Wealth Management APAC, told Reuters.

Indeed, UBS and others such as Standard Chartered are building their own fintech teams. Inside a colonial-era building that once served as the British military headquarters in Singapore, UBS is lab-testing new technologies to serve its wealthy clients in Asia. Credit Suisse has a mobile app tailored for its Asia-Pacific private banking clients.

Samani sees the main threat from so-called fintech disrupters in payments, lending and credit cards. "All those are under attack now. Non-traditional players have come in and the barriers have lowered to some degree," he said.

But UBS and other private banks hope their core advisory business -

built around face-to-face meetings - will escape the onslaught.

"We are moving towards being paid for advice, with new products coming in regardless of the number of transactions the clients are making and so on," said Geoffroy De Ridder, operating head for UBS Wealth Management in Asia Pacific.

Offering advice may not, however, be as safe as it looks.

So-called 'robo-advisers' automate wealth advisory roles, calling into question the value of traditional banker/client meetings, and potentially threatening an important source of bank income.

Some Asian bankers are dismissive. "They're kind of just algorithms in the sky, they're pretty dumb," said Neal Cross, chief innovation officer for DBS, a Singapore bank which spends close to \$700 million a year on technology. He was speaking in December.

Mesitis' Sharma, a former managing director at Deutsche Bank, believes the opposite. He says start-ups will chip away at both businesses by aggregating customers' data and offering smarter insights on their investments.

"Robo is a logical offshoot of the aggregation business we do," said Sharma. "We have the data anyway, so using that data to make efficient investment portfolios is a logical next step."



UBS employees demonstrate how their eye movements are being tracked to provide feedback on the interface design of a banking application on a tablet computer at their innovation centre Evolve in Singapore.

REUTERS/FILE

## China consumer inflation stable at 2.3pc in March

AFP, Beijing

CHINA'S consumer inflation was steady at 2.3 percent year-on-year in March, official data showed Monday, a sign of stabilisation for the world's second-largest economy.

The rise in the consumer price index (CPI) released by the National Bureau of Statistics was the same as February's 2.3 percent, and slightly below market forecasts of 2.4 percent in a survey by Bloomberg News.

Moderate inflation can be a boon to consumption as it pushes buyers to act

before prices go up, while falling prices encourage shoppers to delay purchases and companies to put off investment, both of which can hurt growth.

The producer price index (PPI), which measures prices of goods at the factory gate, fell 4.3 percent year-on-year, its slowest rate of decline since January 2015. It increased 0.5 percent from February, its first month-on-month rise in two and a half years.

"Deflation is our top macroeconomic concern and today's PPI offers signs of relief," said analysts with ANZ Research in a note.