

Banks need to redefine their business models, says Doha Bank CEO

Banks need to manage the change by redefining their business models in view of the industry's transition from being old traditional branch business to highly advanced automated customer centric experience, according to Doha Bank group chief executive Dr R. Seetharaman.

"The fourth industrial revolution combines advanced technologies in innovative ways, dramatically reshaping the way people live, work and relate to one another. Banks need to manage the change by redefining their business models to manage various stakeholders such as customers, regulator and shareholders," said Seetharaman, who received 'New Age Banker' award at the recently-concluded New Age Banking Seminar.

Asserting that to adopt to the digital changes "either you need to be quick or dead", he said realignment of resources will happen in the light of technology developments.

On crypto currencies, he said currencies are a barometer of economy and should not be tool for speculation.

Highlighting that technology should be an enabler and not a medium for exchange, Seetharaman said "If crypto currencies are measured and managed within a framework then it is acceptable. Banks will end up as B2B models."

Financial institutions worldwide are realising that they need focus on



Seetharaman speaking after receiving the 'New Age Banker' award at the seminar.

a different sort of innovation, better technology, and modernise infrastructure and improve customer experience, according to him.

He said the banking business models are changing globally from being old traditional branch business to highly advanced automated

customer centric experience for performing day-to-day banking activities.

Finding that fintech, Internet of

things, block chain and artificial intelligence are some of the major technological developments, he said robotics, enabled by artificial intelligence and machine learning, is proving to be a game changer that can bring "unique operational efficiencies" to the financial services industry. Accelerating digital ecosystem development could lead to cashless economies, he added.

Fintech sector is one of the most happening sectors across the globe, he said, adding fintech would continue to disrupt banks, they have also become technology providers, competing with other fintech firms and sometimes collaborating or acquiring them to roll out shared platforms to enable services.

"Banks and the financial regulators should address the trade-off between convenience and security when it comes to digital banking. From compliance perspective banks and the regulators have to deal with questions arising from digital banking," he said.

To protect customers, thwart organised criminals and ensure financial stability, prudential regulators and legislators need to ensure that regulation is future-proofed for the digital age, he said, suggesting banks need to redefine their business models to adapt themselves to the digital ecosystem and "hence digital governance is the need of the hour."