

Highlights of Learning Programs

Conference of Chief Risk Officers and Heads of Risk Management Departments: December 13-14, 2019, Mumbai



Program participants with speakers at Conference of Chief Risk Officers and Heads of Risk Management Departments

The program provided a forum for the Heads of the risk function to discuss the emerging issues around risk management after reviewing the range of known risks with particular focus on interconnectedness in the financial system and the role of stress testing in building robust systems. CROs explored the need of strong management team that assessed the magnitudes of systemic risk from time to time and its potential impact on them with a view to initiating measures for its mitigation.

Leadership and Strategy Development Program (LDP) for Senior Management of Oriental Bank of Commerce (Phase 3), December 16-20, 2019, Mumbai



Program participants with speakers at the Leadership and Strategy Development Program (LDP)

In line with the earlier two phases, the third LDP program successfully delivered a bouquet of themes for enlightening and improving the knowledge base and effectiveness of senior officers for their current and future leadership roles in the industry. Apart from the current issues and other developments in the financial sector, topics on leadership, risk governance, business strategy, digital innovation, cyber security, risk & compliance, retail credit and MSME financing, etc. were covered over five days.

Roundtable on “Exploring central bank balance sheet risks”, January 8, 2020, Mumbai



Dr Deepak Mohanty, Executive Director, Reserve Bank of India, addressing delegates.



Sir Howard Davies, Chairman Royal Bank of Scotland, addressing delegates.

The roundtable was organised jointly with the CFA Institute, on January 8, 2020. Invites comprised of senior commercial bankers, central bankers, economists, analysts and CFA members. Dr. Deepak Mohanty, Executive Director, RBI made a short presentation on the RBI balance sheet risks/economic capital model and initiated the discussions. Sir Howard Davies, the current Chairman of Royal Bank of Scotland provided the international perspective on this issue. Dr. Anand Srinivasan, Addl. Di-rector, CAFRAL presented the findings of the research undertaken by CAFRAL on this issue.

Retail Lending: What Is Changing: January 20-21, 2020, Mumbai

Retail lending in India is getting increasingly crowded. While there is intense competition in the traditional segments of retail lending, there is enormous opportunities in emerging and niche areas. Retail lending capacity will need to leverage on advanced technologies so that new products and processes are designed to make this business customer-centric and risk mitigated. Enhancing the marketing capabilities, improving the efficiency of collection and recovery processes using technologies, outsourcing and partnerships have become some of the imperatives. The Program focussed these aspects through classroom lectures, case studies and analytical discussion.

Program on Financial Frauds & Financial Crimes : Prevention, Detection and Investigation, January 29-30, 2020, Mumbai



Program Participants with Speakers at Program on Financial Frauds & Financial Crimes : Prevention, Detection and Investigation

The two day program on Financial Frauds and Financial Crimes was designed against the backdrop of the rising incidences of frauds in financial sector and several daunting challenges faced by officers dealing with fraud risk management. Focus was on large value frauds, payment system frauds, mitigating trade based money laundering risks, cyber frauds, transaction monitoring and forensic audit. It offered a practical blend of regulatory, legal and forensic contents to officials dealing with fraud prevention and post-fraud routine. Key speakers for the program included those from CBI, legal fraternity, fintech, cybercrime & banking experts.

Highlights of Research Seminars and Brown Bag

Shocks And Technology Adoption: Evidence From Electronic Payment Systems by Dr.Nicolas Crouzet, Associate Professor, Kellogg School of Management, Northwestern University, USA on December 03, 2019

Paper Abstract

The diffusion of technologies characterized by positive adoption externalities - such as network-based technologies - can be hampered by coordination problems. Can temporary policy interventions help solve this issue? We provide evidence on this question by analyzing the adoption of a new payment technology - electronic wallets - in the wake of the 2016 Indian demonetization, a policy intervention that led to a large but temporary decline in the availability of cash. Consistent with a dynamic adoption model with externalities, we show that the temporary cash crunch caused a persistent increase in the growth rate of the user base, as opposed to simply an increase in its size. Estimation of the model suggests that the presence of positive externalities across retailers significantly boosted the adoption response. Furthermore, we show that the adoption response displays substantial state-dependence: areas where adoption externalities prior to the shock were likely to be stronger experienced higher long-term growth. Therefore, while large, temporary shocks help resolve coordination problems and spur adoption, they can also exacerbate initial differences.

Private Equity and Financial Stability: Evidence from Failed Bank Resolution in the Crisis by Prof. Manju Puri, Duke University on January 10, 2020

Paper Abstract

This paper studies the role of private equity (PE) in stabilizing the financial system in the crisis. Using detailed and proprietary failed bank data from the FDIC combined with information on PE investors, we provide some of the first evidence on PE's involvement in acquisition and resolution of failed banks during the crisis. PE acquisitions accounted for nearly a quarter of all failed bank assets acquired in the crisis between 2009 and 2014. We find that PEs typically acquire underperforming banks that are riskier than bank-acquired banks. Further, PE failed bank acquisitions are in areas where the neighbouring banks were also in distress and hence had a lower ability to make acquisitions. PE-acquired failed banks recovered better than those acquired by banks, measured using the ability to maintain branch operations and deposit growth, despite being underperforming ex ante. Our evidence is consistent with an interpretation that PEs stabilize the

financial system in crisis by providing capital to failed bank resolutions and complement bank acquirers by filling the capital gap left by under-capitalized banks.

Upcoming Learning and Research Programs

Program Description & Nomination links are available on <http://cafral.org.in/Upcoming-Programs>

Financial Markets Program for Economist and other officers February 25-28, 2020 | Mumbai

Program Objectives

Financial markets are the mainstay of matured and emerging economies; however, banks invariably play a crucial role as investors, issuers and market makers for providing depth and liquidity in the financial markets across jurisdictions. Again, the Government crafts the public policy framework and the financial regulators put in place a range of regulations on processes, products and players to ensure that markets operate in a safe and sound manner and the interests of all participants are protected.

This uniquely designed CAFRAL Program on Financial Markets provides capsuled learning for the economist, regulators and bankers in an interactive and cross learning mode. Practical exposures to market operations, products, players and infrastructure combined with insightful discussion on the economy in general and financial sector in particular is the hallmark of this program. This Program will also serve as an induction for senior officers in regulatory organisations, banks and financial institutions who have recently moved to market related areas.

Participants' Profile

Officers of the Indian Economic Service deputed by GoI; Middle/senior level Economists of banks, regulatory organisation, financial institutions and NBFCs; Senior officers of banks, regulatory organisation, financial institutions and NBFCs who are newly posted to market related departments/areas

[Nominate Now](#)

CAFRAL and World Bank conference on "State Intervention in the Financial Sector" February 26-27, 2020 | Mumbai

Objectives

CAFRAL and The World Bank are jointly hosting a conference on State Intervention in the Financial Sector, focusing on the South Asian region.

The conference will feature academic presentations on topics such as banking, bank-firm relationships and outcomes and credit allocation. It will also include special lectures on the topic by prominent speakers and an expert policy panel.

Participants' Profile

Academic researchers in economics, finance, and related areas. Economists at policy making institutions, financial institutions, and regulatory organizations. Bankers and Central Bankers

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Conference of Chief Vigilance Officer March 16, 2020 | Mumbai

Objectives

Banks are now exposed to various types of risks resulting in increasing incidence of frauds. The objective of the programme is to understand the perspectives of the Boards, Bank Management, Regulator, CBI and CVC so that timely and appropriate measures are taken to strengthen the vigilance function in banks.

Participants' Profile

CVOs of Banks

[Nominations Open Soon](#)

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