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CHIEF DIGITAL OFFICER

IMPACT OF DIGITAL FINANCIAL SERVICES (DFS) DURING COVID-19



Digital Readiness is key to survival of the FS sector

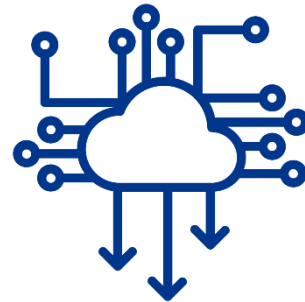
Digital first / digital only services and products were becoming the norm, now they are key to survival



There are three key levers to a digital ready financial ecosystem:



Digital consumer awareness and adoption



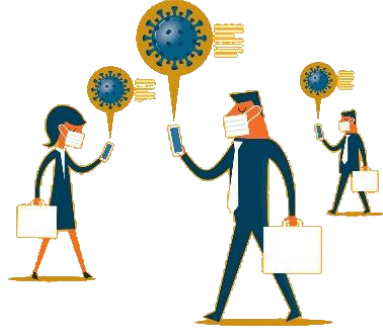
Digital infrastructure



Regulatory/Policy enablement



Second order effects of the pandemic require a robust FS sector



Coronavirus is causing economies to come to a halt, and leading to demand shocks

Countries have to closely monitor and deal with these repercussions through efficient liquidity management and financial resource allocation.

The variety of tools at the disposal of governments in such a scenario depends heavily on the underlying digital plumbing of the FS sector.



Direct benefit transfers and novel fiscal policy tools are gaining traction

Governments across the world are spending enormous amounts on different types of stimulus packages

Eighty-four countries have reported changes to their social protection systems in response to the pandemic; fifty-eight countries of these are scaling up cash transfer schemes*

Efficient transmission of such initiatives requires robust underlying plumbing. From identifying the right recipients to tracking effectiveness of such measures.



In India, the presence of the **Aadhaar Payment Bridge** has made it easier for governments to implement their benefit measures.

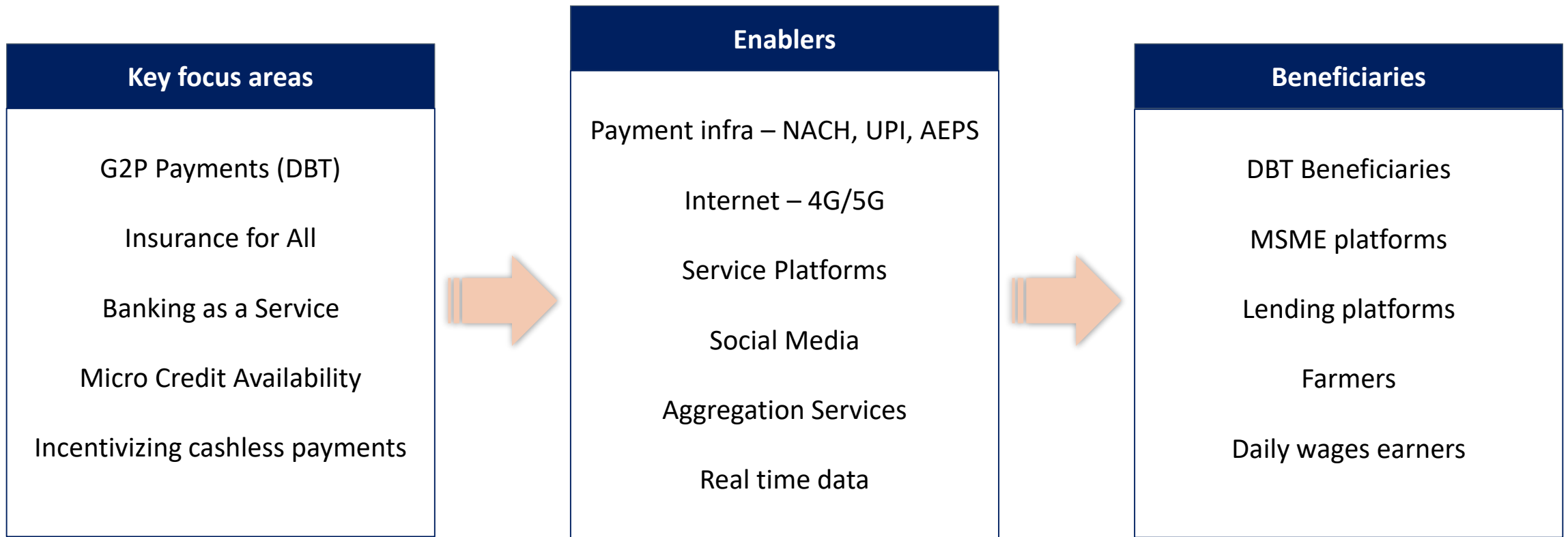
We have seen a tremendous rise in volumes as both central and state governments seek to help citizens stay afloat.



*Source: World Bank report on 'Responding to crisis with digital payments for social protection'

There are many other mitigation initiatives being taken up in the FS sector

In India, apart from DBT, we have the following initiatives being taken as mitigation measures to tackle the pandemic



DBT during COVID-19 – April 2020

Major highlights

One Time Schemes for payout:

1. Mukhyamantri Vishesh Sahayata
2. Mukhyamantri Garib Kalyan Package
3. Corona Sahayta
4. COVID 19 MGNREGS Special Allowance
5. Assistance to registered construction and other workers for COVID 19

Ongoing other Major DBT Schemes

1. PM KISAN
2. Pradhan Mantri Awaas Yojana Grameen
3. National Social Assistance Program
4. Others

Payout under
176 Schemes – including
Central, State Governments

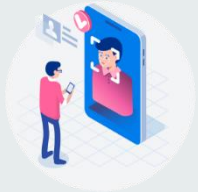
Transaction in APRIL 2020 – **346
Million** which is **98%** of total
FY.2019-20 Transactions

Value of **approx.Rs.398 Billions**
transacted in April 2020

Regulators have also been proactive in tackling the situation



eKYC



Other Initiatives

- Special refinance facilities to NABARD, SIDBI and NHB of Rs.50 K Crores
- Special Liquidity fund of Rs.50k Crores for Mutual Fund
- Moratorium of 3 months on payment of installments and Interest payments for Term loans

Online KYC



Online COVID insurance



Cash Withdrawal using UPI at POS



This is also a good time to spur innovation and broaden the reach of DFS

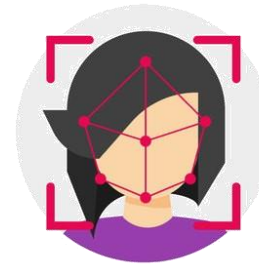
We have seen that previous financial crises and pandemics have helped spur innovation and push reforms that enabled penetration of digital financial services.



Contactless payments



Digital onboarding



Biometric authentication



Fraud detection



APIs and interoperability



Crowdfunding & donations



Sachetization of insurance



Impact on digital frauds in COVID19 times

Proliferation of Frauds

Online channels have become the preferred avenue for fraudsters

Reduction in ATM and POS related frauds

Frauds using physical channels have dropped significantly



Victims are targeted on the pretext of collecting donations (PMCARES) during this crisis

Victims in most cases don't realize they are defrauded since actual beneficiary is not known

Challenges faced by Banks



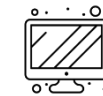
Lack of monitoring



Unavailability of systems



Unavailability of human resources with relevant access



Low priority to enable & facilitate risk monitoring process



At NPCI we are focused on growing our key products



Through a number of product enhancements and promotional campaigns



A look at our numbers



- Groceries, Supermarket, Small food and convenient stores marks around **95% of total UPI** transaction volume during lock down
- There was a **decline of around 40%** of volume from Precovid to Lockdown phase(24th March –till date)
- **Positive trends** starting **4th May** on P2M & P2P.
- For P2M drop of 28% in Volume & P2p drop by 40% from precovid nos.



- Positive trends starting 4th May on Ecom. For Ecom we have reached April & May high till date with 1.83Mn txns a day
- Sharp Upward trend 40%+ on POS to 1.11 mn from avg of 0.75 Mn over last month due to relaxation in Lockdown
- Lockdown 3(Relaxed) Avg per day Vol have increase of 9% on Ecom , 15% on PoS, 31% on Essential , 18% in Top Merchant Over previous LockDown 2



- 95 Banks actively participating in AePS
- Around 411 MN+ txns in April 2020



- Coverage of 182 Billers now
- Accessible from 200 digital platforms

Major highlights

Positive trends on Zomato, Swiggy, Flipkart & Amazon
Growth in merchants are Jio, Airtel, Vodafone

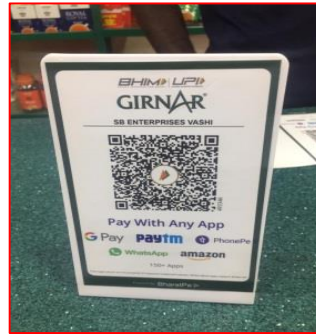


UPI use cases -Offline Merchants

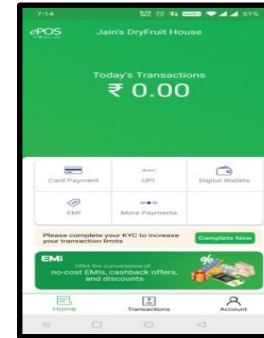
Merchants are on-boarded by following means for UPI Payments :

- UPI Static QR
- Link Based/SMS Intent Based solutions through merchant Apps
- UPI Dynamic QR on PoS
- Inventory Sales + UPI Payment
- Customer – Merchant Bookkeeping and Payments through UPI

UPI Static QR based solution



UPI merchant App – Link based/Dynamic QR on App solution

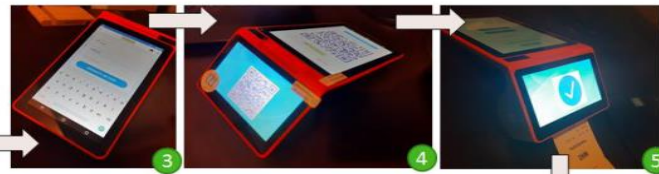


Dynamic QR on PoS solution



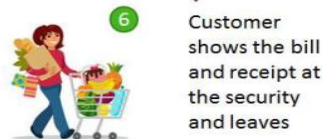
1 Customer completes the shopping and comes to the payment counter. Cashier scans the items and creates a bill

2 If the customer wishes to pay through UPI, cashier enters the amount and bill number on the merchant screen of the device



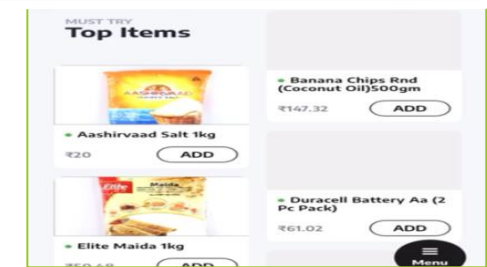
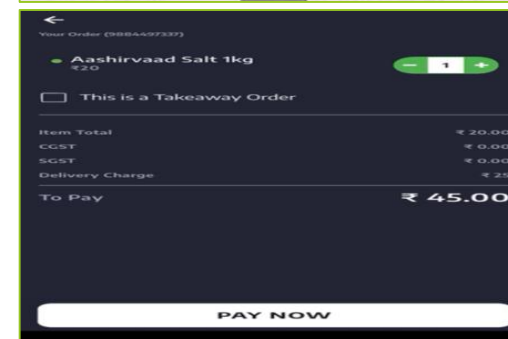
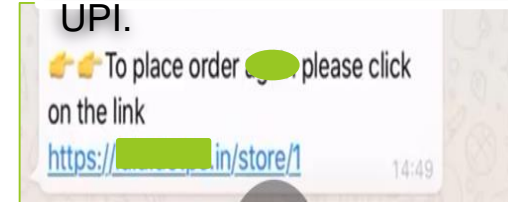
3 A dynamic QR code is generated both on consumer as well as merchant screen

4 When the customer scans the QR code and makes payment using their preferred UPI App, an immediate notification is received by the merchant, and transaction receipt is printed.



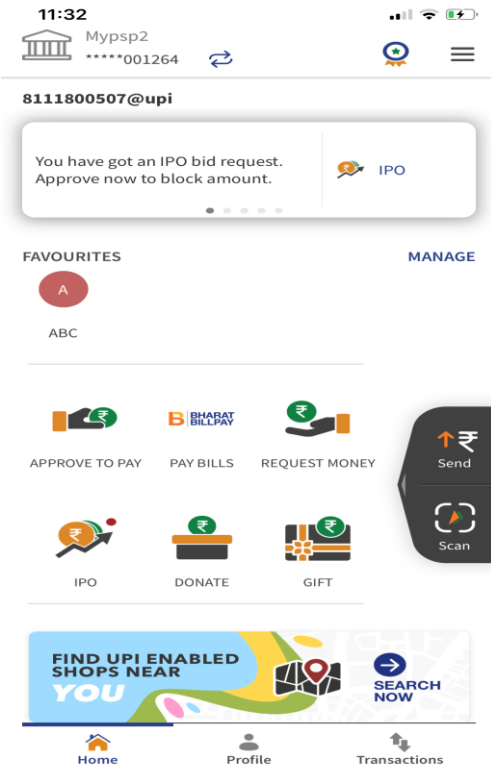
5 Customer shows the bill and receipt at the security and leaves

WhatsApp based Inventory ordering and payments through UPI.



Merchant search on BHIM

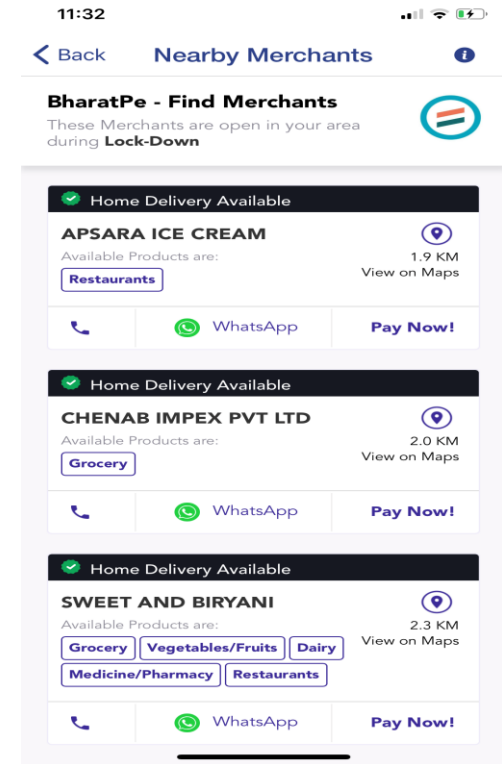
Locate neighbourhood stores



Select merchant & Place order



Pay digitally



PM CARES Campaign

JOIN THE PM IN THE #INDIAFIGHTSCORONA DONATION DRIVE.

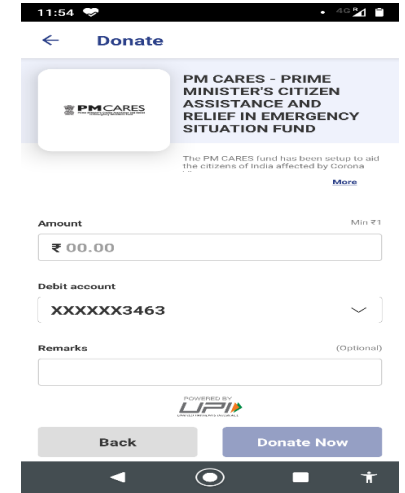
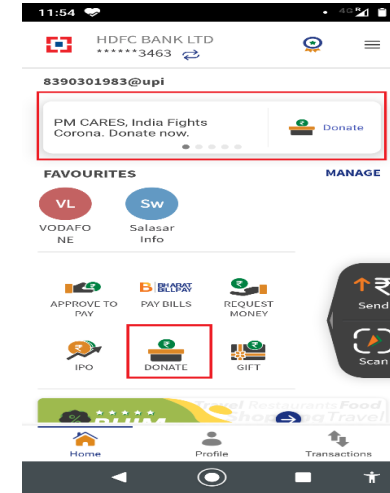
The PM CARES fund has been setup to aid the citizens of India affected by Covid-19.



Scan the QR code and donate via BHIM UPI app.



UPI ID: pmcares@sbi



The pandemic has affected the entire world and with lockdown announced Hon. Prime Minister Narendra Modi, lots of people are suffering to manage their meals, shelters and wages during this critical time.

- Hon. Prime Minister Narendra Modi had launched PM CARES (PRIME MINISTER'S CITIZEN ASSISTANCE AND RELIEF IN EMERGENCY SITUATION FUND) .The campaign is also executed on UPI (pmcares@sbi). Tremendous support from the citizen of India seen towards this fund.
- States in India has created and promoted the Chief Ministers Relied Fund/Covid Relief Fund to support the citizens of their respective states affected due to COVID Pandemic.



Pay Safe Campaign

Approach taken:

Mrs. Rao videos to promote digital payments from home

Leveraged multiple tiers of social influencer to drive campaign reach

Combined push through multiple digital media platforms – Social, Programmatic, High impact

Multiple Indian Languages

Total Video views – **64.63 million views**

Tic Tok engagement – crossed **18 billion views**

73 influencer engaged and got 6 billion impressions

7 twitter trends around #IndiaPaySafe with UPI

BHIM app downloads – **125, 274**

#IndiaStaySafe #IndiaPaySafe #PaySafeIndia
Digital salaries
540K views · 1 day ago

#IndiaFightsCorona #IndiaStaySafe #IndiaPaySafe
Donate to PM CARES Fund
972K views · 1 day ago

#IndiaStaySafe #IndiaPaySafe #PaySafeIndia
Mobile recharge from home
556K views · 1 day ago

UPI Chalega
Mar 31 at 4:57 PM · 🌐

Stay home, stay safe. Order groceries and medicines to your doorstep and pay via BHIM UPI enabled app to pay safe and stay safe! To know more, visit <https://www.upichalega.com/>
#IndiaStaySafe #IndiaPaySafe #UPIChalega #PaySafeIndia #Covid19

GROCERIES AND MEDICINES AT YOUR DOORSTEP.
#UPIChalega
India Pay Safe with UPI.
[upichalega.com](https://www.upichalega.com)

UPI Chalega
Mar 31 at 5:04 PM · 🌐

Let's help our fellow citizens by donating to the PM CARES #IndiaFightsCorona fund and provide relief to the needy with BHIM UPI. To know more, visit... See More

PM CARES
Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund

SCAN TO DONATE TO THE PM CARES COVID-19 FUND.
#UPIChalega

UPI ID: pmcares@sbi
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