

Swaminathan J: Reading the pitch - banking strategies for a long innings

Speech by Mr Swaminathan J, Deputy Governor of the Reserve Bank of India, at "Success through synergy", an annual banking event, organised by Standard Chartered Bank, Mumbai, 28 November 2025.

* * *

The legendary cricketer, the *Very Very Special*/Laxman ji; Shri P D Singh, CEO of Standard Chartered Bank, India & South Asia, distinguished leaders from across the banking, financial and capital markets ecosystem, colleagues, ladies and gentlemen.

It is a pleasure to be with you this evening at "*Success Through Synergy*". This annual event is an invaluable platform for thoughtful conversations on where our industry is headed. I am grateful for the opportunity to share a few reflections.

I am also aware that I stand between you and a celebrity cricketer. So, I will keep my innings brief and brisk, rotate the strike between a few key themes, and then retire gracefully to the dugout quickly so that all of us can get to witness the legendary Laxman play his strokes!

We are meeting at a time when banking is being reshaped by powerful forces. Technology is changing how customers interact with financial services. Markets are more integrated, and shocks travel faster. Geopolitical developments, climate risks and cyber threats are adding new layers of complexity. At the same time, India's economic prospects, digital public infrastructure and entrepreneurial energy are creating huge opportunities.

In such an environment, success for any one institution cannot come in isolation. It depends on the strength of the entire ecosystem, and on the quality of collaboration among banks, non-banks, market participants, fintechs, regulators and customers. That is why the theme "*Success Through Synergy*" is so apt.

Since there is a cricketer waiting in the room, let me borrow something from the game. Think of the next part of my speech as an over, with six deliveries. Each ball is one key idea that I believe will shape the future of banking in India. I promise there will be no googlies.

Ball 1: New challenges in banking today

The first is about the nature of risk. The traditional risks we grew up with, such as credit, market and liquidity risk, have not gone away. In some ways, they have become more complex. Lending is more granular, markets are deeper, and interconnectedness has increased. At the same time, new categories of risk have come to the fore.

Technology has blurred the boundaries between banks, non-banks and big tech firms. Competition is no longer only from the bank across the street. It may be from an app that lives on your customer's phone. Reputation risk has become sharper in a world

where information, and misinformation, travel instantly. A single customer complaint, if not handled well, can become a public issue in a few hours.

Climate-related risks, physical as well as transition-related, are starting to make impact. Cyber risk is now a permanent feature of bank risk registers. The cost of one major incident can far exceed the loss from a traditional fraud.

In this setting, risk management and governance cannot be a back-office function. They are central to strategy. Senior management and Boards have to ask themselves not only "What is our return on capital" but also "What risk culture are we building".

Ball 2: Drivers of customer service in a digital era

The second one is on customer service. Technology has given us powerful tools to reach customers, to simplify processes and to make payments and credit more convenient.

But the basic expectations of customers remain very human. They want to be treated fairly. They want products that are suitable for their needs, explained in simple terms. They want transparency in pricing and conditions. And when something goes wrong, they want someone to listen and resolve their problem promptly.

In a digital, high-speed world, the test of customer service is not only "Did we respond?" but "Did we actually solve the issue fairly and quickly?"

Customer service is also about inclusion. The design of products and interfaces must be easy to access, not only to the tech-savvy, but also to those who may be less comfortable with digital interfaces.

Ball 3: Innovation and collaboration with fintechs

The third point is about innovation and partnership. Fintechs have entered almost every segment of financial services, from payments and small ticket credit to wealth management and cross-border remittances. Many of them have brought fresh ideas, agility and a new way of looking at customer pain points.

Banks bring something equally important. They bring trust, balance sheet strength, experience in managing risk over cycles, and deep knowledge of regulation and compliance.

The question is not whether banks will "win" against fintechs or vice versa. The question is how we can structure partnerships where the strengths of each are combined in a safe and sustainable way.

In cricketing terms, it is like a good batting partnership where both players complement each other, respect the match conditions and run between the wickets with mutual understanding.

Ball 4: Customer centricity, grievance redress and cyber frauds

The fourth point brings us to a very important issue. Customer centricity is not a slogan. It must show up most clearly when something has gone wrong. This is where robust internal grievance redress mechanisms are critical.

Cyber fraud and digital scams have increased, and they can cause real hardship to ordinary customers. Banks have invested in systems to detect suspicious transactions, to send alerts and to strengthen authentication. These efforts are welcome and must continue. But technology alone is not enough. Sharing of fraud typologies, coordinated efforts to take down mule accounts, and working with law enforcement agencies are all important.

From the customer's perspective, what matters is not who is legally liable under the fine print. What matters is whether they feel their bank stood by them in a moment of stress. In the long run, that perception affects trust more than any advertisement campaign.

This is where financial literacy and awareness also become part of our agenda. When banks invest in helping users navigate digital channels safely, they are building a more resilient customer base.

Ball 5: Data, analytics and responsible use of "the new oil"

The fifth idea is about data. It has often been said that data is the new oil. I would add that data is also like water. It can sustain life if used properly, but if it is polluted or misused, it can cause damage.

Banks sit on large volumes of customer data. With appropriate analytics, this data can generate insights into behavioural patterns. It can help improve underwriting, detect early signs of stress, and tailor products to suit different customer segments. It can help reduce costs and improve efficiency.

At the same time, responsible use of data is essential. Customers must have confidence that their data is being used with care, that privacy is respected, and that there is no misuse or unauthorised sharing.

Models and algorithms must be explainable to management and boards, and their outcomes need to be monitored for fairness and unintended exclusion. Both banks and supervisors may increasingly use advanced analytics, but these tools should support human judgment, not replace it.

Ball 6: IT resilience and third-party dependencies

The sixth and last point is about resilience. As banks digitise more and more of their operations and move to cloud and outsourced solutions, their dependence on IT systems and third-party providers has increased significantly. Outages that earlier affected only a branch can now affect millions of customers. Even planned downtimes need to be communicated and managed carefully.

Banks cannot simply rely on the assurance of service providers. They must understand the technology, the control environment and the concentration risk arising from many institutions relying on the same provider.

The question is not whether an incident will ever happen. The question is how quickly and effectively the institution can detect, contain and recover from it.

Bringing it all together

If you look back at these six balls in that over, a common thread runs through them. It is the central importance of governance, culture and people. Technology, data, regulation and processes are all important. But at the end of the day, decisions are made by people, and culture is shaped by the tone at the top.

Strong governance, an ethical culture, and a clear sense of purpose are what allow institutions to navigate cycles, absorb shocks and serve their customers and the economy over the long term.

As regulators, we see banks as partners. Our role is like that of the umpire: we set and interpret the rules, monitor the game and call out the occasional no-ball or wide when needed, so that the play remains fair and safe. The task of scoring runs, by serving customers well, managing risks prudently and supporting growth, rests with you.

Let me conclude with one final cricketing thought. In T20 cricket, it is tempting to go for big shots every ball. In Test cricket, patience, discipline, and respect for match conditions matter more. Our financial system must combine both mindsets. We need the innovation and energy of T20, but we must anchor it in the prudence and resilience of Test cricket. Only then can we build institutions that not only post quick scores, but also stay at the crease for decades.

I wish all of you continued success in your journey. May your partnerships be strong, your defences solid, your shots well timed, and your innings long. Jai Hind.