

Agenda

- Recognitions
- Starter Quiz
- Retail Lending Overview
- Unsecured Term Loan Product and Account Life Cycle Demo
- Map Unsecured Term Loan Demo to Corebanking Platform Ecosystem
- Thought Paper and Presentation Topics – Discussion
- Prep Items for week of August 19th

Note:

- Mobile Phones – Do not bring to class or Completely Switch off
- If students have any specific topic they want to discuss, share the topic and we can try to schedule

Recognitions – Academic Performance, Initiatives, Team Player

Many Eligible Students – Great Difficulty to Short List 4

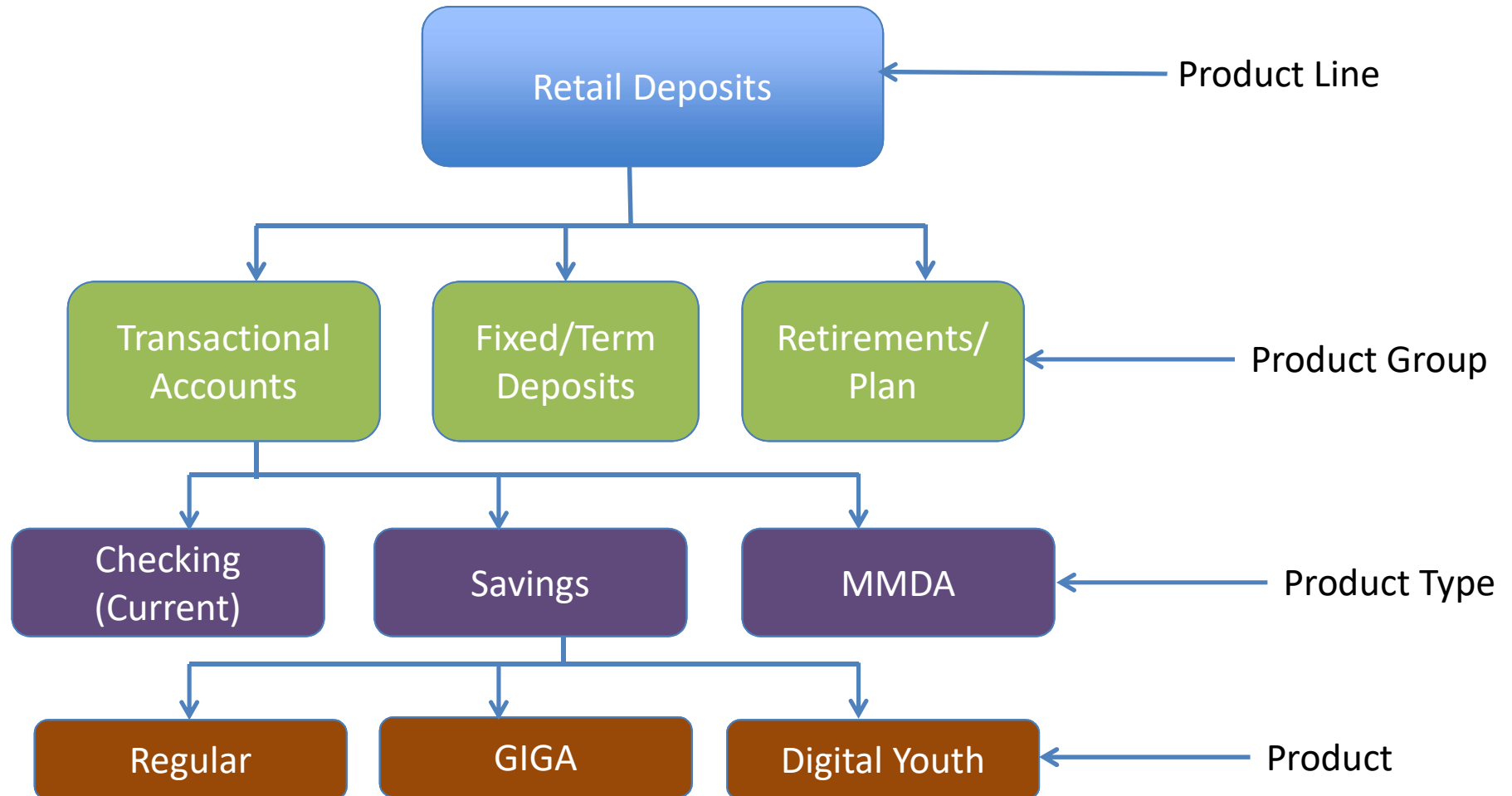
- **Roselin Maria TJ**
- **Megh Jayesh Bhai Patel**
- **Aditi Jain**
- **Dhruva Deepak**

Starter Quiz

- What is Rule of 72, 114 and 144
- What is IBAN and which Country has the Longest IBAN

Retail Deposits Recap

Retail Deposits Sample Product Hierarchy

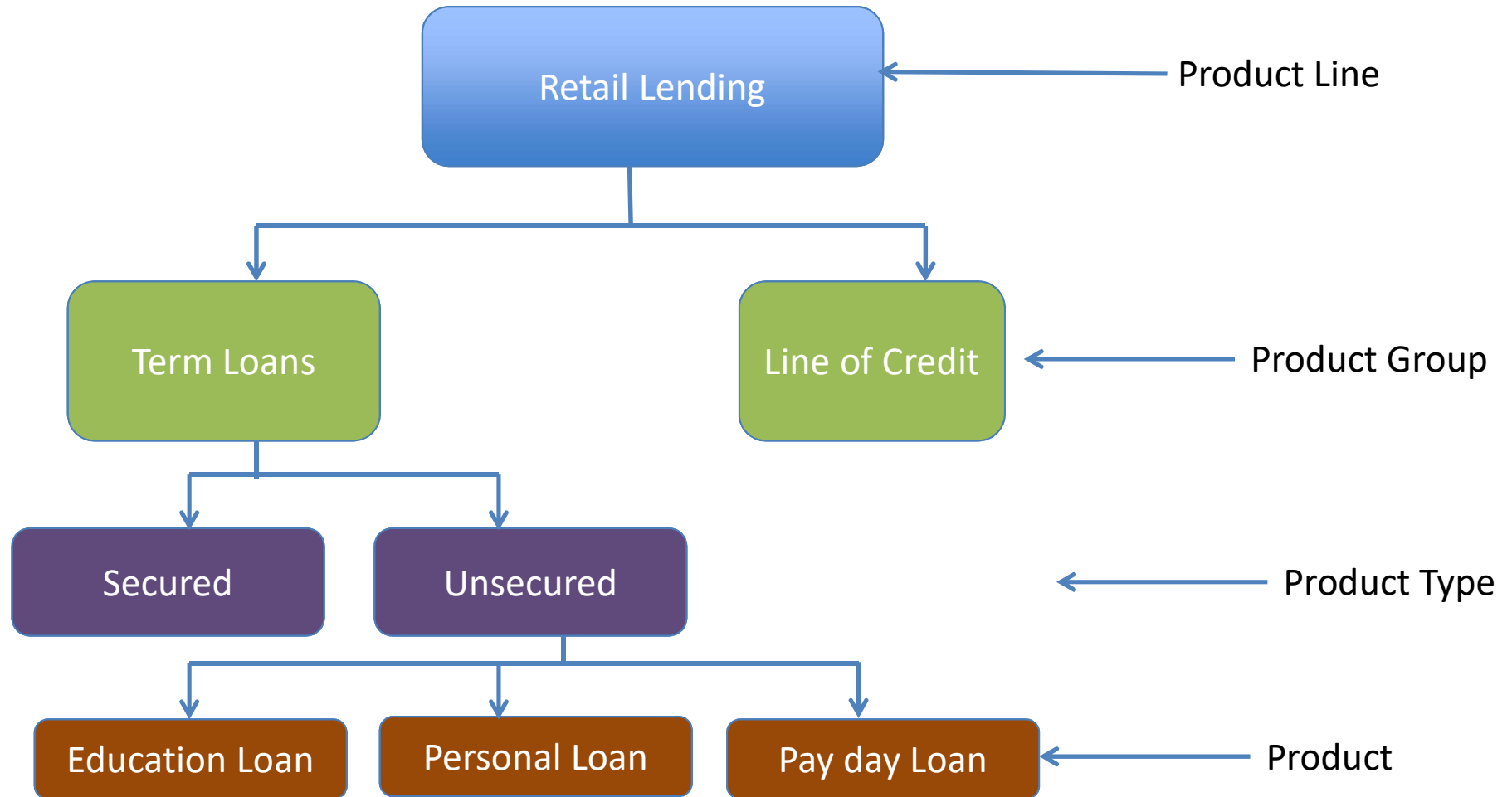


Retail Lending Product Types

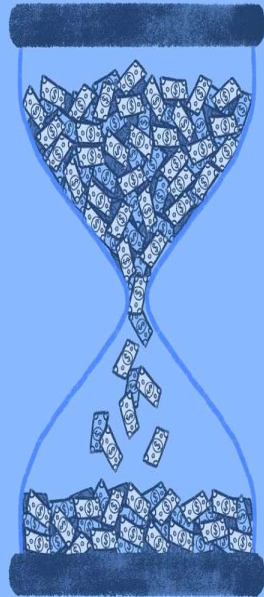
Lending Products Types typically offered for
Individuals and Micro/Small Business

Retail Deposits Overview

Retail Deposits Sample Product Hierarchy



Term Loans



Term Loan

[ˈtɜːm ˈlɒn]

Borrowing a lump sum with an agreed schedule for repayment.



A term loan is a type of loan with fixed or variable interest rates that provides borrowers with a lump sum of cash upfront, which they repay over a specified period.

Term Loan examples Home Loan, Auto Loan, Education Loan, Gold Loan, Personal Loan

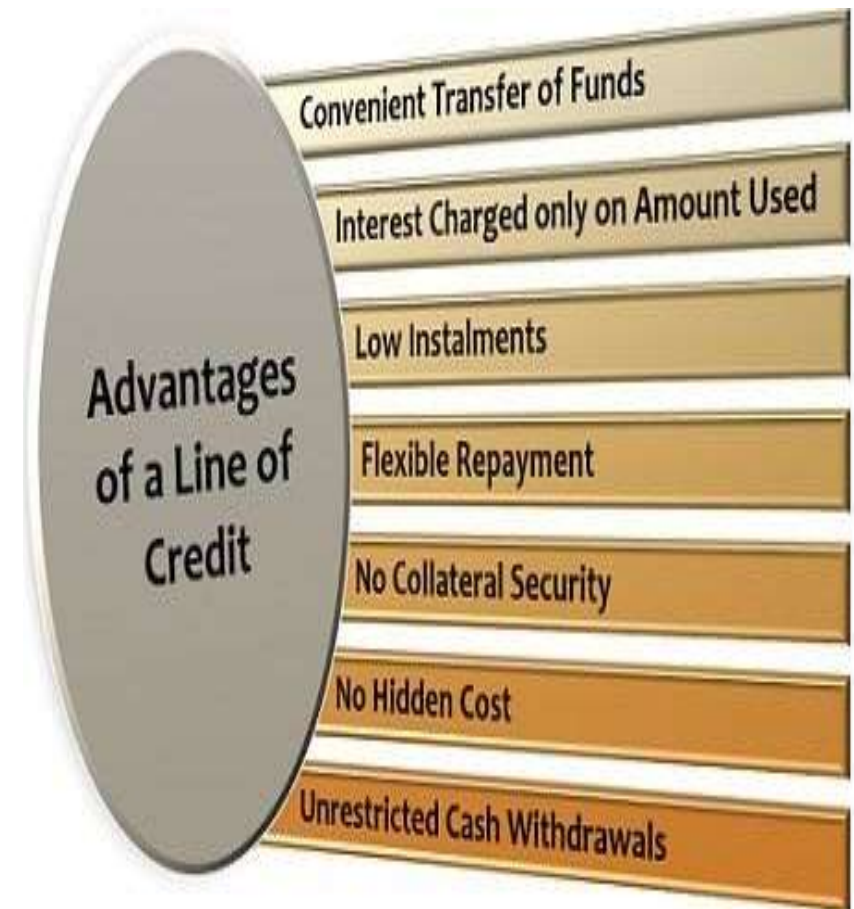
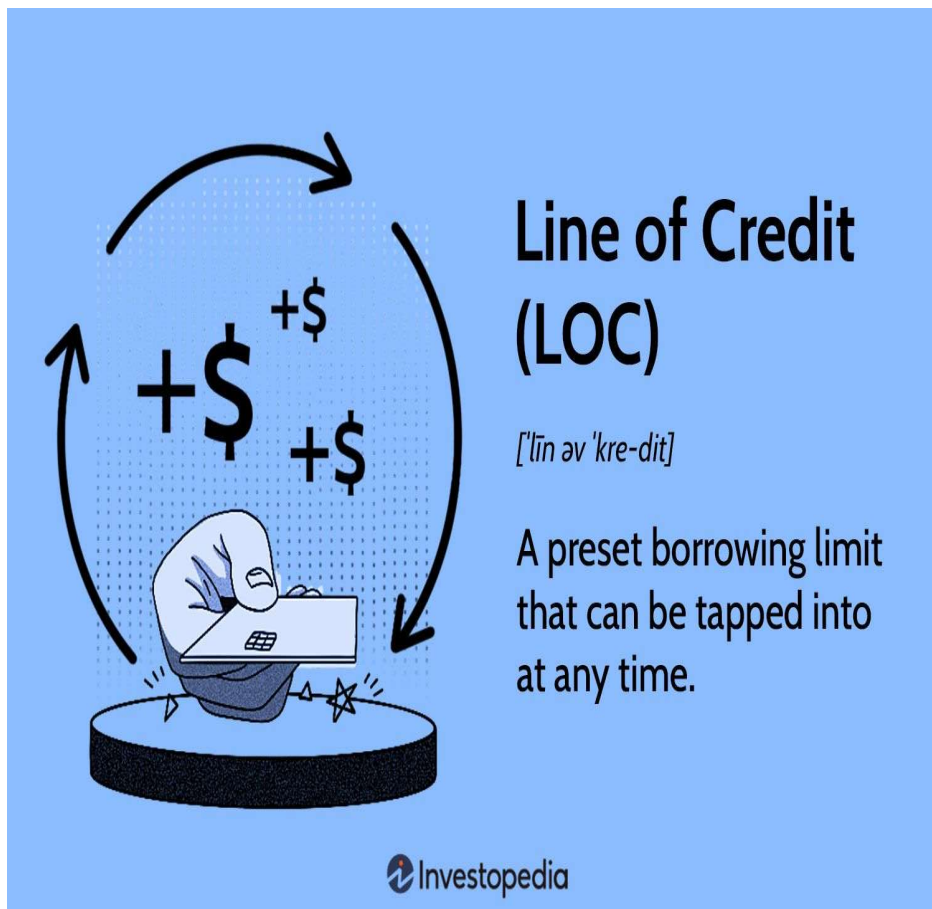
Term Loan can be:

- Secured: Backed by a Collateral like Land, Gold, House ..
- Unsecured: No Collateral Backing

Unsecured Term Loans would have lower Loan amount, higher interest rate and shorter duration when compared to Secured Loans, due to the associated risk

Line of Credit

A line of credit is a flexible borrowing option that allows individuals or businesses to access funds as needed, up to a pre-approved limit.

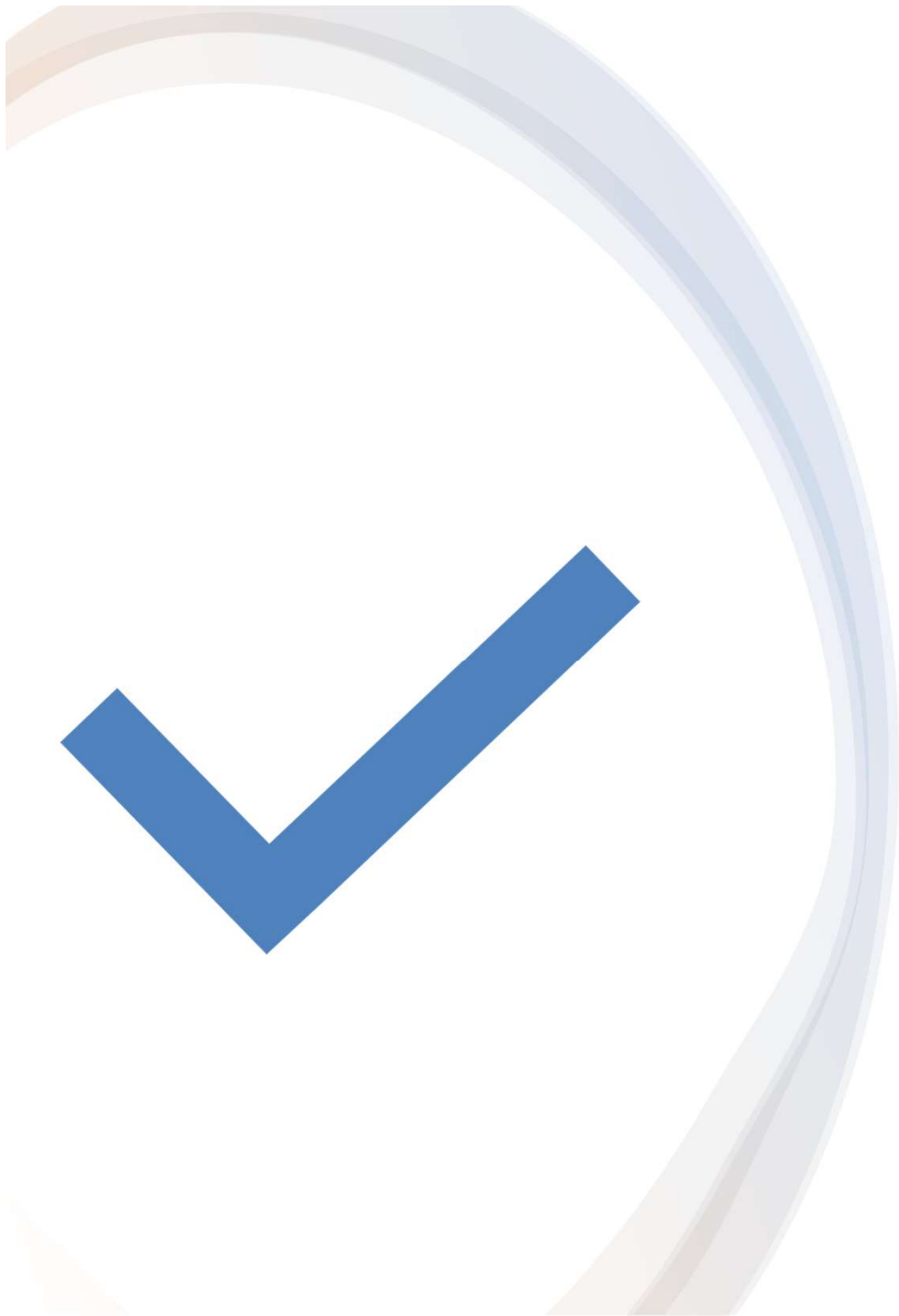


Term Loan vs Line of Credit



DIFFERENCE BETWEEN LOAN & LINE OF CREDIT

Basis	<u>LOAN</u>	<u>LINE OF CREDIT</u>
Disbursement	One-time arrangement	Open-ended arrangement
Usage	Receive entire amount for use in one go	Can use issued amount as per requirement
Interest charges	Interest is charged as soon as it is disbursed	Interest is charged on amount used by borrower
Repayment	Comes with repayment schedule	No fixed installment amount

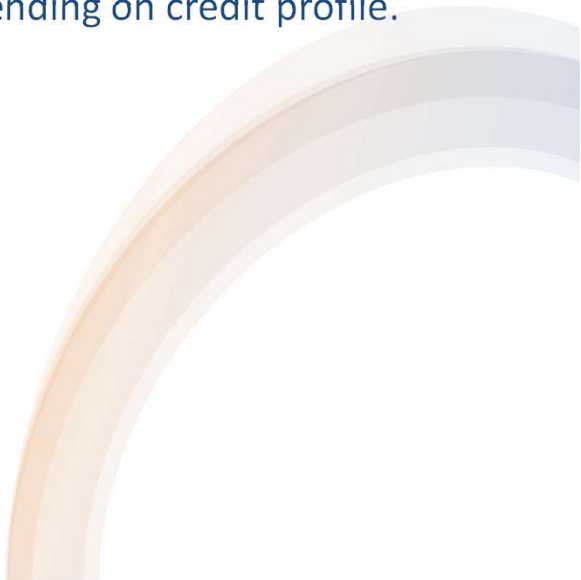


Retail Banking Technology - 2025

Unsecured Term Loan Product Lifecycle




Product Overview

- Unsecured Term Loans are personal loans not backed by collateral.
 - Offered for purposes like education, travel, medical expenses, or debt consolidation.
 - Tenure typically ranges from 12 to 60 months.
 - Loan amounts vary depending on credit profile.
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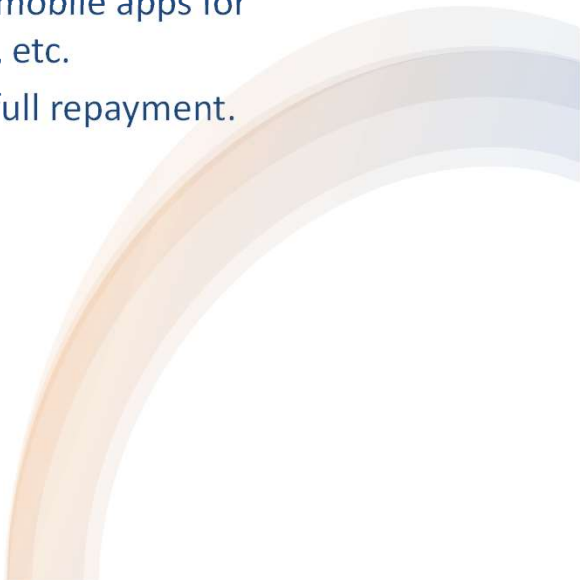


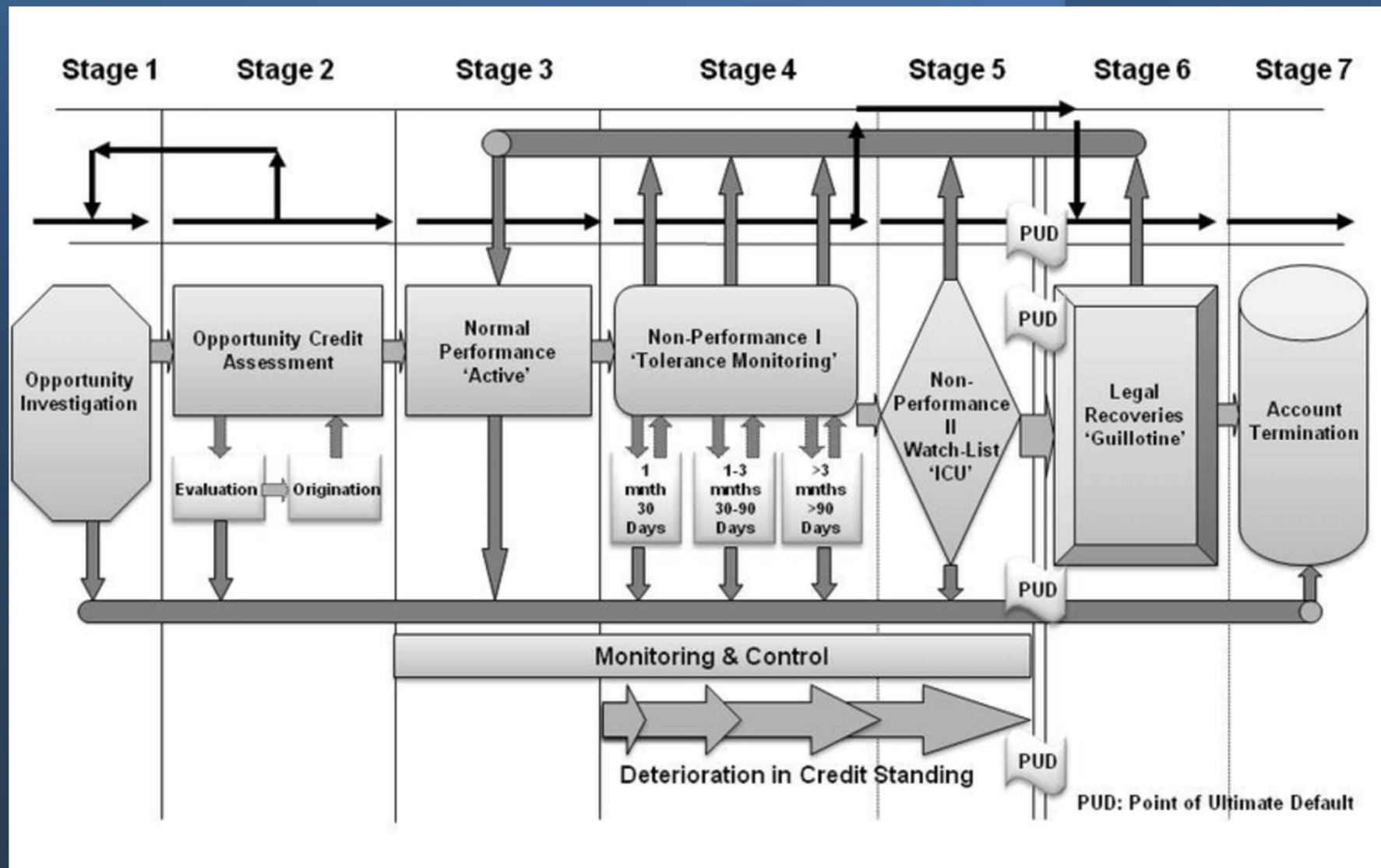
Pricing


- Interest Rates (India): Typically range from 10% to 24% p.a., based on credit score, income, and risk profile.
 - Processing Fees: 1%–3% of the loan amount.
 - Risk-Based Pricing: Implemented using credit scoring models and AI/ML algorithms.
 - RBI Regulation: Risk weights on unsecured loans increased by 25 bps in Nov 2023 to curb excessive lending.
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Account Management Lifecycle

- Origination: Digital onboarding via mobile/web platforms.
 - eKYC, credit bureau checks, and income verification.
 - Instant approval using rule engines and AI models.
 - Disbursement: Funds credited directly to the customer's bank account.
 - Loan account created in the core banking system
 - Servicing: EMI auto-debit setup via ACH/eMandate.
 - Customer self-service via mobile apps for statements, prepayments, etc.
 - Closure: Auto-closure on full repayment.
 - No dues certificate issued
- 



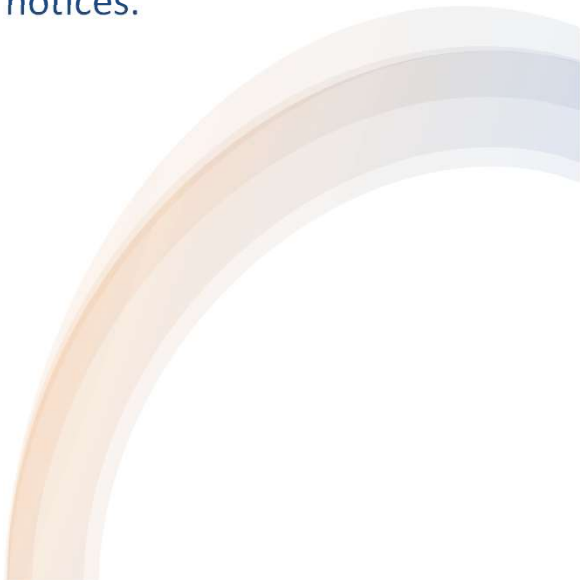


Transaction Processing & General Ledger (GL)

- GL Mapping: Each transaction (disbursement, EMI, interest, penalty) mapped to specific GL codes.
 - Daily Batch Jobs: For interest accrual, EMI posting, and NPA tagging.
 - Reconciliation: Automated tools reconcile loan ledger with GL.
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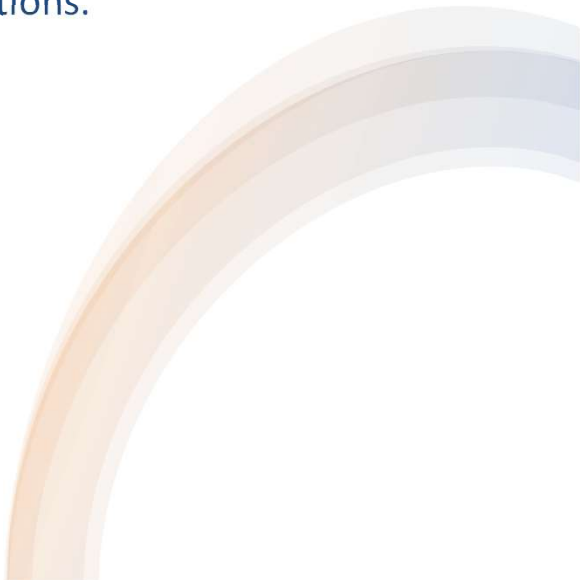


Customer Communication

- Pre-Disbursement: SMS/email with sanction letter and terms.
 - During Tenure: EMI reminders, payment confirmations, and annual statements.
 - Delinquency: Soft reminders, followed by collection calls and legal notices.
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Operational Reporting

- Dashboards: Real-time loan origination, disbursement, and delinquency metrics.
 - MIS Reports: Daily/weekly reports for branch and zonal offices.
 - Audit Trails: Maintained for all customer interactions and transactions.
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Regulatory Compliance & Reporting

- RBI Reporting: CRILC, CIBIL, and other bureau submissions.
 - Risk Management: Stress testing and provisioning as per RBI norms.
 - Data Privacy: Compliance with India's Digital Personal Data Protection Act (DPDPA) 2023.
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Session Summary



Unsecured Term Loan Demo - Let us now Map to the Various Corebanking Platform Ecosystem Components

Bank Channel Apps



Payment & Embedded Finance Apps

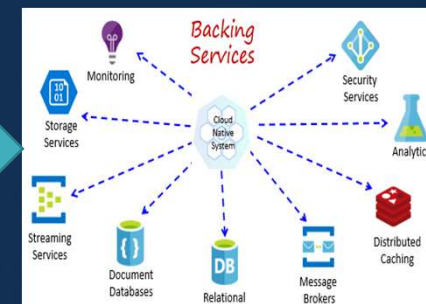


**Core Banking
Platform
(Modular Core
Product
Processors)**

Enterprise Components

- Customer
- Bank Definition
- General Ledger
- Alerts Rendering
- Payments Hub
- ...

Enterprise/Cloud Services



Unsecured Term Loan Demo - Let us now Map to the Various Corebanking Platform Ecosystem Components

Bank Channel Apps

- Back office Apps
 - Product Configuration
 - Account Servicing

Payment & Embedded Finance Apps

- NA

**Core Banking Platform –
Term Loan
Core Product
Processor**

Enterprise Components

- Customer
- Bank Definition
- General Ledger
- Alerts Rendering
- Data Warehouse

Enterprise/Cloud Services

- API Management – WSO2
- Event Management- Kafka
- Monitoring Service - Splunk
- Identity Management - IDP
- Batch Scheduler - Airflow
- Database Service – Oracle

Core Banking Platform Apps and Lab Work Mapping

Demo App Name	Container	Lab Work
Product Config UI	Yes	Yes
Account Servicing UI	Yes	Yes
API App	Yes	Yes
Batch (Periodic/Bulk/File) App	Yes	Yes
Event App	Yes	Yes
Reporting App	No	Yes

Note: Integration with Customer Component, The Customer Component will have UI App, API App, Batch App those will be containerized , in addition to Reporting App

Analysis and Thought Paper Topics



Analysis and Thought Paper Topics – Team Assignment

Topic Name	Group	Presentation Date
OCEN (Open Credit Enablement Network) – India	2	Sept 23 rd
ONDC (Open Network for Digital Commerce) - India	6	Sept 24 th
Stablecoin	4	Sept 25 th
AI in Financial Fraud Prevention and AML	12	Oct 7 th
Embedded Finance – Concept, Evolution, Future Trends	8	Oct 8 th
Global Payment Schemes Analysis and Comparison India – UPI US – ACH Europe – SEPA Brazil - Pix	3	Oct 9 th

Analysis and Thought Paper Topics – Items of consideration

- Some Key things to Analyze:
 - What is the Problem Statement and Use cases
 - What is the Solution Approach including Key stakeholders, to address the Problem Statement
 - What is the current status / usage
 - What are the near term (6 months) and medium term (2 years) projections
 - What is the Impact to the Bank from a Business Perspective
 - What is the capability needed from Banks Apps/Solution Ecosystem
 - Anything else that you feel is of interest / importance

Note:

- Collate Data Points / Metrics and use them for trend analysis as much as you can

Analysis and Thought Paper Topics – Team Assignment

Topic Name	Team	Presentation Date
Consumer Persona's – Banking Usage and Needs Analysis (Accounts, Types of Transactions, Volumes of Transactions, Types of Banking/Payment Apps used, How do they Interact/Interface with Bank, Regulations applicable for these Product Types, Are there gaps /improvements they would like to see from their Banking Product Features or would like Banking Products to be Offered and How they are Serviced/Supported by Bank), Banking Tech Requirements / Apps & Solution Ecosystem enhancements needed for the analysis of these consumer Persona's		
Individuals (2 Persona's)– Student, Your Parents	1- 5 2- 1	1- Oct 28 th 2- Nov 11 th
Micro/Small Business (2 Persona's) – e.g. Street Vendor, Auto Driver, Kirana Shop, Small Farmer, Small Restaurant	1- 9 2- 11	1- Oct 29 th 2- Nov 12 th
Start up, Entrepreneurs	7	Oct 30 th
Large Institution (MIT Manipal)	10	Nov 10 th

Analysis and Thought Paper Topics – Deliverables

- Thought Paper Document and Presentation Deck (Format is up to each team)
- Presentation to be done by each Group
 - 30 Mins for Overall Presentation
 - Each and Every Student in the Group should Present for 5 Mins (Average 6 Students Per Group and 5 Mins each Student)
 - Maximum 2 Slides Per Student, so a total of 12 Slides (excluding Agenda and Summary Slide)
 - Up to 10 Mins for Q&A
- Assessment will be done at Group Level (i.e. all members in the Group will get the same marks)
 - Clarity and Conciseness
 - Logical Flow
 - Consistency and Team work with in a Group
 - Data and Metrics and Data Showcasing
 - Any additional artifacts the Group believes would add value

Note: If U can show additional artifacts like Interface Samples, Prototype Apps etc.. those would be an add on Bonus

Best Group will get a recognition award

Prep Items for Week of August 19th

- One or two Student's for each day (August 19th, 20th, 21st) will be randomly selected and will have to come on stage and give a 15 Min talk of their Banking Product they use and details around the same such as
 - Bank Name
 - Bank Product ('s) Name and Type
 - What Apps (Bank Channels, Payment Apps) do you use to operate and initiate Transactions on the Account
 - What type of Transactions do you do on your account
 - What is the Average Number of Transactions done Daily, Weekly last couple of months
 - What is the highest / lowest amount Transaction done in last couple of months
 - What Interest and Fees are charged on your account and What is the Frequency of these Charges
 - What is the Interest Rate and When was the Last Interest Payment done by the Bank
 - What kind of notifications/communications specific to your account you receive from your Bank
 - What Improvements you would like to see in your Interaction experience with your Bank
 - Any thing else U would like to share on your Bank / your Banking Product