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# RISK EXPOSURE REPORT

PREPARED FOR RAGHNALL



## COMPANY PROFILE

<b>Company Name:</b>	M9
<b>Industry Type:</b>	Financial Services
<b>Industry Sub Type:</b>	Accountant
<b>Estimated Annual Turnover:</b>	400000
<b>Estimated Asset Value:</b>	400000
<b>Number of Employees:</b>	100

## INDUSTRY OUTLOOK

Rising income in India is driving the demand for financial services across income brackets. Also, Financial inclusion drive from the Reserve Bank of India (RBI) has expanded the target market to semi-urban and rural areas, leading to a rise in credit, insurance and investment penetration in these areas. The Association of Mutual Funds in India (AMFI) is targeting nearly five-fold growth in AUM to Rs. 95 lakh crore (US\$ 1.47 trillion) and more than three times growth in investor accounts to 130 million by 2025. Major trends in this sector to watch closely are:



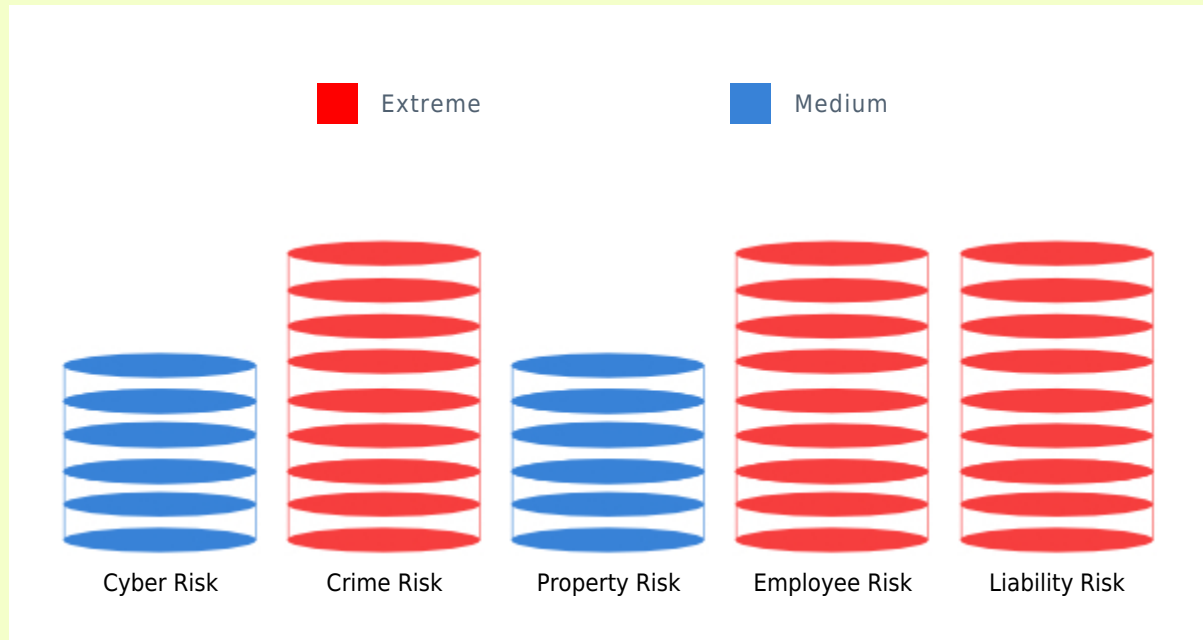
**Insurance Sector** - New distribution channels such as bank assurance, online distribution and Non-Banking Financial Companies (NBFCs) have widened the reach and reduced operational costs. India's general insurance market is expected to grow at a compound annual growth rate (CAGR) of 6.2% during 2019-2023.

**Mobile Wallets** - As the RBI allows more features such as unlimited fund transfer between wallets and bank accounts, mobile wallets will become strong players in the financial ecosystem. India's mobile wallet industry is estimated to grow at a CAGR of 148% to reach US\$ 4.4 billion by 2022.

**Digital Transactions** - Indian companies are strengthening their footprint on foreign shores, enhancing geographical exposure. India's digital payment is estimated to increase to US\$ 1 trillion by 2023.

**NBFCs** - NBFCs have served the non-banking customers by pioneering into retail asset-backed lending, lending against securities and microfinance. NBFCs aspire to emerge as a one-stop shop for all financial services.

## RISK OUTLOOK



## RISK INSIGHTS

### Liability

- Indian legal environment is changing very fast and the legal expenses of companies are also increasing each year. The legal requirement of industries varies from industry to industry.
- As per the analysis of various costs incurred by different industries over a period of 10 years (2010-2019), the legal cost incurred by the finance industry was 0.63% of their total expenses and 6.71% (highest) of their 10 year average sales revenue.

### Employee

- 2021 has been unparalleled when it comes to the talent exchange we are witnessing across sectors.
- The overall annualized attrition number for 2021 stands at an astounding 20% which is a record high since 2011.
- BFSI sector saw an attrition rate of 19.4% and was among the top 5 sectors by attrition. Further, 83% firms in the BFSI sector are facing skilled talent shortage.

### Crime

As per PwC's Global Economic Crime and Fraud Survey (GECS) 2022, 52% of Indian organizations experienced fraud or economic crime within the last 24 months:

- Out of these, 17% of the companies lost between USD 1Mn - 50Mn.
- The major crime faced by the financial sector was customer fraud (44%) followed by cybercrime (38%) and KYC failure (29%).

### Cyber

- Between November 2020 and October 2021, 5212 organizations worldwide experienced data breaches.
- Among selected industries, financial firms saw the highest number of data violations.
- Further, the financial industry was the most targeted by basic web application attacks worldwide with 226 institutions facing such incidents in the measured period.

## WHY RAGHNALL



We, at Raghnall, build partnerships with your organization that goes beyond pure risk transfer and offer a variety of additional services, like assessing your risk exposure, crisis management support or help with preventative measures. At Raghnall, we have specialized underwriters and product experts who take time to understand your business and procure protection from the most appropriate source according to your needs.

KNOW MORE

## THIS REPORT HAS BEEN PREPARED BY

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