Volume 9, Issue 2 (VII)
April – June 2022
ISSN: 2394 – 7780

International Journal of
Advance and Innovative Research

Indian Academicians and Researchers Association
www.iaraedu.com

International Journal of Advance and Innovative Research
Volume 9, Issue 2 (VII) April – June 2022
ISSN 2394 - 7780

A STUDY ON CHANGES, EFFECTS, UPDATIONS AND RECOVERIES AFTER COVID IN FINANCE AND BANKING INDUSTRY

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ABSTRACT
This research includes all the effects, outcomes and sustanaibilities after covid waves India. Researchers thinks that most of the people started thinking a creative aspects in lockdown and that created into many good and new innovations. Numbers in the market of supply, stocks and demand got fluctuated after the waves. Most of the innovations got into manufacturing sector. Some are for temporary basis and some are new and for long term. Jobs loosing were too many in the time of lockdowns but after two waves now companies are welcoming new talent and acquiring many employees onboard. International market for India is becoming freeway for exports more and also acquiring offshore clients for service which explains the communication channels. Insurance sector in finance got more response post covid which is the most important checkpoint. Banks growing towards more digital less paper formats now. Researcher have explained many points regarding the changes in the current market.

INTRODUCTION
In industries from healthcare to education to finance to manufacturing, quarantine and extended work-from-home forced companies to use technology to reimagine nearly every facet of their operations. As the world reopens in fits and starts, we analyse the industries poised to thrive in a post-Covid world.

In the wake of the outbreak, everything from doctors' appointments to schooling to workouts went online. As more people have worked, learned, banked, exercised, relaxed, and even sought medical care from home during Covid-19, they have gotten a crash course in just how much can be accomplished at home.

Almost two years into the pandemic, some countries have resumed daily life, while some have seen resurging cases and renewed lockdowns. As vaccines are doled out, a complete return to normal still remains uncertain for many, but what's certain is the fact that the pandemic has fundamentally impacted several industries.

In some cases, the technological changes inspired by Covid-19 will come in the form of an acceleration of existing trends — for example, industrial automation and contactless payments. In other cases, like virtual reality, 3D printing, or telehealth, the crisis may change the course of the industry, enabling companies to demonstrate value that, until now, consumers have been unable or unwilling to see.

In this report, we'll explore some of the trends created or accelerated by the onset of Covid-19 that are likely to change the way we live, work, learn, and relax long after the pandemic is over and how the future of those innovations is likely to unfold.

The transition to digital has been a long time coming in the finance industry. Fintech innovations, including contactless payments, mobile financial services, and loan and insurance tech have all been climbing steadily for years.

With social distancing being enforced across the world, fintech has had a chance to demonstrate its value to consumers still on the fence about entrusting an app with their finances.

Regulation will play a significant role in how opportunities in the fintech space take shape in a post-Covid world. In March 2020, South Korea announced plans to temporarily ease regulations on fintech as part of an effort to accelerate economic recovery as the virus receded in the country. If similar measures go into effect in other countries, it could greatly increase activity and innovation in the space.

The country's Financial Services Commission is also launching a digital sandbox program. The sandbox ecosystem enables fintech to test new products and engage consumers in a monitored and controlled environment. New products are tested independently of other services companies offer.

In any event, given the mixture of convenience and peace of mind that digital financial services offer, it's likely that they'll sustain their growth after lockdowns end.

- **Contactless Payments**

Contactless payment options were already on the rise before Covid-19. Apple, Google, and Samsung began adding virtual wallets to their mobile products as early as 2014. Amazon has also been moving toward implementing contactless payment processes in its physical locations. The company deployed Amazon One, its palm-pay contactless tech, in an Amazon Go location in New York City in May 2021. The Amazon One tech is already used in several Amazon Go locations in Washington state.

Given heightened concern around physical contact as a result of the coronavirus, long-term adoption of contactless payment options seems more likely. Two-thirds of retailers accept some type of no-touch payment, according to a survey conducted by Forrester.

Public sentiment has shifted dramatically in favour of contactless payment options in the wake of Covid-19. Surveys have found that an increasing share of consumers consider contactless payments to be a basic, required feature of products.

Businesses are already taking steps to align with customer demand, with grocery stores, restaurants, and other essential businesses quickly adopting contactless payment options.

Businesses that had not already incorporated contactless payment options into their point-of-sale (POS) systems prior to Covid-19 have moved to do so. For example, grocery chain Publix announced that it is now accepting Apple Pay and other contactless payment methods. 7-Eleven has also deployed contactless payment options to over 3,000 stores in the US.

Tech companies are also moving to augment their contactless options. Fit bit expanded support for contactless payments, announcing in April 2020 that a prepaid wallet feature will come standard in the Fit bit Charge 4 after previously being available only on premium models.

The small business sector has also seen an increase in adoption of contactless options. While 40% of small businesses remained non-operational due to the pandemic, 27% of those that continued to accept on-premise payments reported an increase in contactless payments made through smartphones and contactless cards.

The proportion of SMBs deploying contactless payment tech jumped to 39% at the end of 2020 from 20% in June, per Visa. Further, 65% of consumers surveyed by Visa said they'd prefer to use contactless payments as much as, or more, than they are currently.

With the infrastructure already in place and consumers afforded ample opportunity to test-drive the new technology due to Covid-19, it seems likely that contactless payments will emerge as a societal norm.

- **Branchless Banking**

Branchless banking was already on the rise prior to Covid-19, with nonbanks and fintech start-ups like Chime, Simple, and Revolute aiming to replace traditional brick-and-mortar financial institutions altogether.

The opportunity in branchless banking is substantial enough that fintech in other areas are expanding to offer banking services as well. In October 2019, robot-advisor Betterment introduced a series of cash-management products, including high-yield savings and checking with ATM. In May 2020, micro-investing app Acorns followed suit, adding a Spend Account alongside its investment and retirement products.

JPMorgan also made a major move in the space with the launch of its UK-based digital bank, Chase, in September 2021. It was the first international expansion of JPMorgan in its 222-year history.

Shortly after, London-based Standard Chartered partnered with Starling Bank to join the digital space with its first UK-cantered digital savings platform called Shoal.

Standard Chartered CEO Bill Winter said that Shoal's purpose is to allow Standard Chartered to funnel more money toward investments related to climate and sustainability. Shoal lets investors choose what climate-related projects they would like to support with their money, all on a user-friendly digital interface. It's the first branch-banking exercise for Standard Chartered in the UK since it shuttered its network of branches in the 1990s.

The rise of digital banks is also moving into developing markets. For example, Philippines-based Voyager Innovations raised $167M to support additional financial services for its payment and services app, Pay Maya. Some of the new funding will be used to launch a digital bank. Meanwhile, Egypt got its first digital bank with the launch of Telda's new service.

Branchless banking is attractive to banks because it means less capital spent on people and physical locations, and more available for customer acquisition and engineering.

Now that consumers have gone through a lengthy pilot program in digital-first banking, demand for digital banking solutions is likely to continue. Digital-only banks were projected to manage 6.5 out of every 10 digitally opened accounts in 2021, according to Insider Intelligence. Incumbent banking players will have to take steps to meet that demand — or risk losing market share to their younger, smaller, more digitally savvy competition.

- **Parametric Insurance**

Formerly Niche Insurance Products Could Soon Become Mainstream

While some organizations routinely invest in specialized insurance policies to protect themselves from outlier events, these policies are not commonplace. The Covid-19 pandemic may change that.

As the severity of the pandemic and the costs of the response continue to intensify, parametric insurance policies may soon become more attractive to a wide range of businesses, particularly if the cost of parametric insurance premiums falls as more insurers enter the market.

Parametric insurance — also known as index-based coverage — is relatively new. Unlike traditional insurance policies, parametric insurance plans cover policyholders only when specific conditions are met.

For example, a policy might stipulate that an insurer is liable to pay policyholders only if an earthquake of a minimum magnitude were to strike in a specific geographic area within specific time constraints. If one or more of those criteria are not met, the insurer is not liable to policyholders.

Parametric insurance policies have historically been challenging to underwrite due to the difficulties inherent in accurately modelling financial risk during natural catastrophes. However, the pandemic has brought the value of and need for parametric insurance into sharp focus.

The 2020 Wimbledon event illustrates this point. After announcing the event would have to be canceled, reports emerged that the organizers of Wimbledon had paid approximately $1.9M every year since 2003 for pandemic insurance following the SARS outbreak. In exchange, Wimbledon was expected to receive a hefty pay out of approximately $142M for the cancellation of the 2020 event. The claim was later settled for an undisclosed amount.

Demand for Covid-19 insurance coverage has intensified in recent weeks and months. However, underwriting these policies is difficult for insurers, as they do not currently have access to reliable data concerning rates of infection or death, making accurate risk calculations almost impossible.

The inaction of individual governments may also present a challenge, because not having detailed response plans in place complicates insurers' efforts to calculate the costs of providing pandemic insurance in specific regions. Even relatively comprehensive insurance policies often include language or clauses stipulating that

International Journal of Advance and Innovative Research
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damages or losses incurred as a result of viruses or "contamination" are not covered. This type of clause was introduced by many insurers following the SARS outbreak of 2003.

Still, the highly specific and often nuanced conditions under which payments are made often preclude policyholders from making claims. Several developing nations participating in a \$320M "pandemic bond" program devised by the World Bank have not yet seen any pay-outs from bondholders, despite suffering heavy casualties from Covid-19. Risk modellers ruled that the total number of cases in countries that receive World Bank funding did not meet the exponential growth criteria to qualify countries like Ethiopia and South Africa for payments.

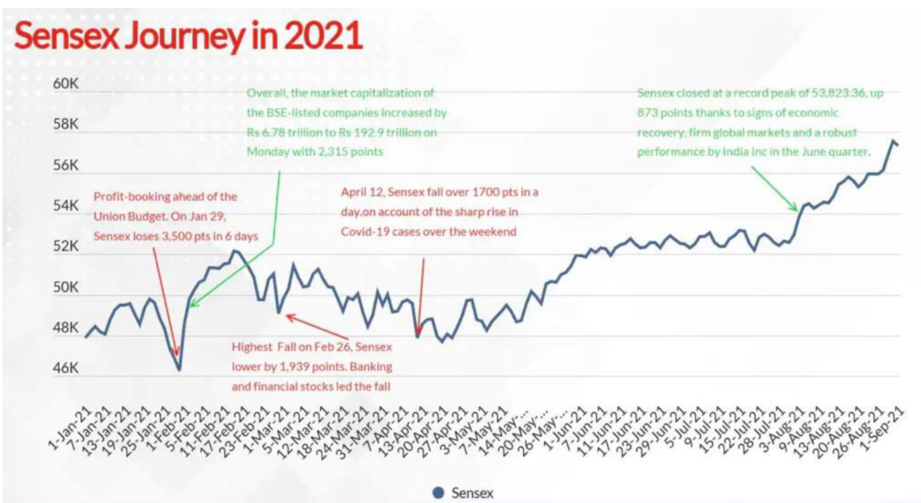
Going forward, insurers can expect to face litigation from policyholders seeking to recoup losses incurred by events such as pandemics. Several lawsuits have already been filed in federal court by plaintiffs whose business-interruption claims were denied by a Wisconsin-based insurer. Similar lawsuits are likely to become common as insurers adjust the terms of their policies to shield themselves from additional liability.

In addition to primary qualifying triggers, such as the emergence of a viral pathogen, it is almost inevitable that insurers will include other criteria for policyholders to be eligible for pay-outs, such as minimal casualty thresholds or industry-specific indices such as decreases in the value of individual commodities.

Interest in parametric insurance has sparked efforts to carry its principles into a wider variety of industries. Startups across a variety of industries are exploring this sector, including:

- **Arbol** — This Company takes on the inherent risk of the weather as it pertains to agriculture and other businesses.
- **Blink** — CPP Group purchased Blink for its ability to provide real-time data to expedite claims and pay-outs. It focuses on travel, climate, and energy spaces.
- **Setoo** — A \$25M merger with Pattern Insurance Services strengthened its ability to offer travel companies wider varieties of travel insurance products.
- **Kover** — this company uses a block chain-based infrastructure to help gig economy workers avoid financial disaster through remediation of "high-frequency, low-severity" risks.

ANALYSIS AND INTERPRETATION



021 has been a good year for investors in Indian equities. So far this year, the benchmark Nifty 50 index has gained over 22 percent, outperforming many global peers. Foreign institutional investors continue to be bullish and fund managers continue to be optimistic about Indian markets, as our recent survey showed. Here's a look at the market's journey in 2021 through charts.

The benchmark index Sensex has gained about 20 percent, or 9,500 points, in just the last eight months. On August 31, 2021, the total market-capitalisation of BSE-listed companies crossed Rs 250 lakh crore for the first time.

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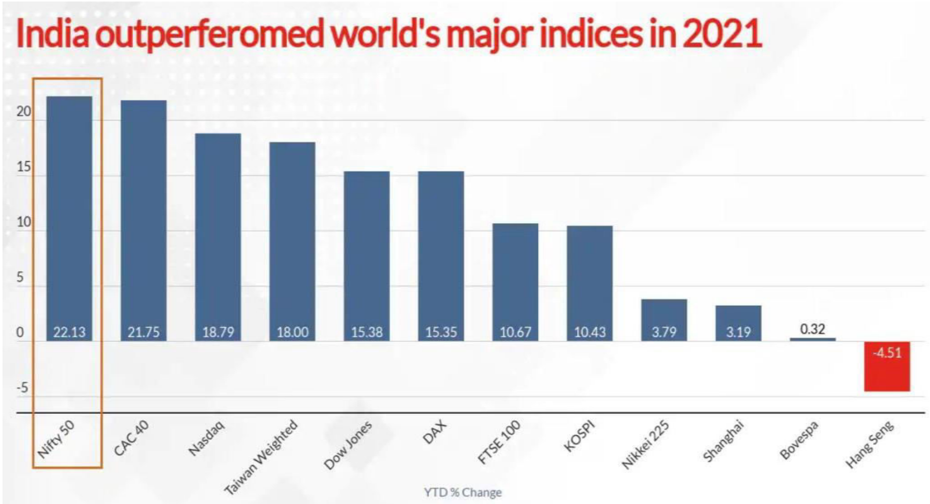

Nifty outperformed its global peers as the index gained about 22 percent year-to-date as against France's CAC 40, which gained 21.75 percent, and US Nasdaq, which was up nearly 19 percent

The banking industry in India had been jostling with NPL issues since 2016 following the disallowance of any sort of restructuring in advances from RBI. The ratio peaked in the year 2018 to 11.18%. As the banks began to write-off all bad loans and began recovering some of their past dues, their NPL ratio began to improve. However, FY2020 came as another shock for the banking industry due to the slowdown and losses caused by the Covid-19 pandemic.

Indian banks managed to maintain their asset quality because of the relief measures provided by the Indian Banking regulator, Reserve Bank of India (RBI) as well as the Indian Government and the Supreme Court. The quick and bold measures like injection of liquidity, reduction in cost of funds, regulatory forbearance, consumption supporting stimulus packages, relief in loan default classification, instalment moratorium and other measures contained the immediate adverse effects of the COVID-19 pandemic.

OBJECTIVES

1. To understand the growth of the economy
2. To analyse the finance and banking sector growth towards sustainability.

FINDINGS OF THE STUDY

It was very difficult for a industry to go in a full negative and come up with the growth with new and innovations. In the period of or amid corona virus period there were massive downfall in the economy and employment but only because of the concern of health and safety people thought about the investment and insurance also because of the lockdown many more start-ups came along. Currently the economy is performing well as per the market performance and also it is giving good investment returns to the investors. Many ideas for investments and also for businesses came out from the people’s mind and now they are taking place into the market.

In coming future researcher sees the better growth of the economy and more and more export business in the loop.