5. Ease 8.0 Reform Agenda - Polity

1. Background and Definitions

Launched in 2018, EASE is a common reform agenda for PSBs aimed at institutionalizing "clean and smart banking." It was developed by the Department of Financial Services (DFS) and the Indian Banks' Association (IBA), with the Boston Consulting Group (BCG) as the knowledge partner.

Key Definitions

1. **Public Sector Banks (PSBs)-** Banks where the majority stake (50%+) is held by the Government of India.
2. **Agentic AI-** AI systems that don't just process information but can act as "agents" to perform complex tasks, make decisions, and interact with systems autonomously.
3. **Account Aggregator (AA) Ecosystem-** A financial data-sharing system that allows users to share their financial information from various institutions with lenders securely and digitally.
4. **Prompt Corrective Action (PCA)-** A framework under which the RBI monitors banks that have weak financial metrics to ensure they don't go insolvent.

2. Major Initiatives of EASE 8.0

EASE 8.0, often referred to as "EASEराise," is structured around four primary pillars-

A. Governance & Strategic Alignment

1. **Inclusive Representation-** Ensuring Divyangjan (persons with disabilities) are represented in Customer Service Committees and Grievance Cells.
2. **Accessibility Cell-** Establishing dedicated units staffed by Accessibility Employees to cater to diverse needs.
3. **ESG Integration-** Incorporating Environmental, Social, and Governance (ESG) scorecards into the banking framework.
4. **Specialized Squads-** Creating "Customer Retention Squads" and "Outbound Sales" governance structures to improve business growth.

B. Customer Service & Product Innovation

1. **Tailored Products-** Launching specific asset (loans) and liability (deposits) products for Gig workers, Youth, Women, and Startups.
2. **Linguistic Inclusion-** Providing digital channels and service forms in multiple regional languages.
3. **Virtual Relationship Managers-** Using technology to provide personalized banking advice to identified customer segments.
4. **Self-Service for Divyangjan-** Specialized touchpoints designed for easy access by persons with disabilities.

C. Digital Lending & Underwriting

1. **End-to-End Digital Journeys-** Seamless, paperless loan processes for Retail, MSME, and Agriculture sectors.
2. **AI-Driven Credit-** Using analytics and Generative AI for automatic credit appraisal and underwriting, especially for MSMEs.
3. **Account Aggregator Integration-** Leveraging real-time data for faster and more accurate loan approvals.

D. Risk Management & IT Resilience

1. **Advanced Fraud Detection-** Enhanced models for identifying "mule accounts" (accounts used to launder money) and real-time Anti-Money Laundering (AML) checks.
2. **EWS & Operational Risk-** Digital portals to monitor Early Warning Signals (EWS) to prevent loans from becoming bad.
3. **Resiliency Operation Centre-** Setting up specialized centers to ensure IT applications remain functional during cyber incidents or technical failures.

3. Evolution of EASE- Version History

EASE 1.0 (2018)- Cleaning the Balance Sheet

The inaugural phase was a "cleanup" mission focused on transparency and recovery.

1. **NPA Resolution-** Implementation of a robust mechanism for monitoring and resolving stressed assets.
2. **Transparency-** Standardizing the recognition of bad loans to ensure the balance sheets reflected the true financial health of the banks.
3. **Foundational Credit-** Improving the speed of credit delivery.

EASE 2.0 (2019)- Strengthening Systems

1. This phase expanded the scope to six distinct themes to make the progress "institutionalized."
2. **Responsible Banking-** Focus on ethical lending and financial inclusion.
3. **UdyamiMitra-** Launch of the SIDBI portal to simplify MSME credit management.
4. **HR Reforms-** Initial steps toward professionalizing the workforce and performance-linked monitoring.
5. **Customer Responsiveness-** Introducing standardized timelines for customer complaints.

EASE 3.0 (2020)- Smart Tech-Enabled Banking

The focus shifted toward "Dial-a-loan" and digital-first services, largely accelerated by the need for remote banking during the pandemic.

1. **Digital Lending-** Introduction of "E-back office" for retail and MSME loans.
2. **Alternative Channels-** Strengthening Mobile and Internet banking.
3. **Palm Banking-** The goal was to provide "banking in the palm" through intuitive apps.

EASE 4.0 (2021)- Data-Driven Transformation

This phase integrated the "Common Reform Agenda" with the evolving digital ecosystem like the Account Aggregator (AA) framework.

1. **24x7 Banking-** Promoting resilient and always-available digital systems.
2. **Financial Inclusion-** Deepening the reach in rural areas through Digital BC (Business Correspondent) models.
3. **Data Analytics-** Using big data to predict customer needs and potential defaults.

EASE 5.0 (2022)- Digital & Inclusive Growth

EASE 5.0 focused on "New-age" capabilities, ensuring that the benefits of digital banking reached the "last mile."

1. **Agri-Credit Digitalization-** Moving from paper-based to end-to-end digital journeys for Kisan Credit Cards (KCC).
2. **Employee Empowerment-** Focus on upskilling the workforce for a digital-first environment.
3. **Customer Experience-** Enhancing the UI/UX of banking apps to match private-sector standards.

EASE 6.0 (2023)- Customer Excellence through Analytics

This phase moved toward high-intensity data analytics to drive business growth.

1. **Analytics-Driven Business-** Using AI/ML to cross-sell products and identify high-value customers.
2. **Digital HR-** Streamlining internal operations and performance appraisals using digital portals.
3. **Tech-Enabled Capability-** Strengthening the backend IT infrastructure to handle high transaction volumes.

EASE 7.0 (2024)- National Priorities & Operational Risk

The focus narrowed on aligning PSBs with India's "Viksit Bharat" (Developed India) goals.

1. **National Priority Sector Lending-** Directing credit toward emerging sectors like Renewable Energy and Green Hydrogen.
2. **Operational Risk Management-** Strengthening the "Early Warning Signals" (EWS) to prevent frauds before they happen.
3. **Quality Customer Service-** Ensuring that even with high automation, the human element of customer service remained empathetic and efficient.

4. Achievements of the EASE Journey (Dec 2025 Data)

The reform agenda has yielded record-breaking results for the public banking sector-

1. **Profitability-** PSBs turned a collective loss of ₹85,371 crore (FY18) into a record net profit of ₹1.78 lakh crore (FY25).
2. **Asset Quality-** The Gross NPA ratio plummeted from a peak of 14.58% (2018) to a historic low of 2.10% (Dec 2025).
3. **Capital Adequacy-** The Capital to Risk-weighted Assets Ratio (CRAR) improved significantly to 15.46%, indicating much healthier balance sheets.
4. **Operational Health-** As of 2025, zero PSBs are under the RBI's Prompt Corrective Action (PCA) framework.

5. Challenges and Way Forward

Current Limitations

1. **Legacy Issues-** Despite the drop in NPAs, some banks still struggle with old "stressed" assets in specific sectors like power or infrastructure.
2. **Uneven Adoption-** The pace of digital adoption is not uniform; larger PSBs (like SBI) often outpace smaller ones.
3. **Skill Gaps-** There is a persistent need for specialized talent in AI, cybersecurity, and data science within the PSB workforce.

6. The Path Ahead

1. **Cyber Resilience-** Implementing Real-time fraud monitoring and digital forensic readiness to combat sophisticated cyber-attacks.
2. **HR Reforms-** Moving toward performance-linked systems and role-based training to ensure the staff can handle high-tech tools.
3. **Shared Utilities-** Developing common digital platforms for all PSBs to reduce individual technology costs and improve service delivery speed.

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