

SPEECH OF HON'BLE FINANCE MINISTER

INAUGURATION OF CORPORATE OFFICE BUILDING

Of Indian Bank on 6th Jan 2012:: 4.15 P.M. at Chennai

Shri D K Mittal, Secretary, Financial Services; Dr. K C Chakrabarty, Deputy Governor, Reserve Bank of India; Shri J M Garg, Vigilance Commissioner, Central Vigilance Commission; Esteemed customers of Indian Bank; Indian Bank Family Members; Friends from Print and Electronic Media; Ladies and Gentlemen,

I am very happy to be with you this afternoon at the inaugural function of the new Corporate Office Building of Indian Bank.

As we all know, Indian Bank was founded as a "*Swadeshi Bank*" by illustrious freedom fighters including Sri V Krishnaswami Iyer. It commenced business on August 15, 1907. So Indian Bank proudly shares its Founder's day with Nation's Independence Day. In its journey of serving people, Indian Bank emerged as one of the major commercial banks in the country and was nationalised in the 1st batch of nationalisation on July 19, 1969 along with 13 other major commercial banks, when its business was only ₹ 154 crore. The Bank has crossed several milestones since then and is reckoned among the Best Nationalised Banks on Profitability, Efficiency and Productivity parameters.

Indian Bank was earlier having its Head Office Building at Rajaji Salai since 1970, which was fondly called "*The Grand Old Lady of North Beach Road*" by the Chennaites. With manifold growth of Bank's business, a need was felt for having a more spacious and modern building to meet the expanding business requirements. I am told that the idea, design and architecture of this new Building was conceived by Dr. K C Chakrabarty, the then Chairman and Managing Director of this Bank in 2006-07. The innate desire to be different has culminated into an ultra modern, *Hi-Tech Green Building*, we are seeing today at Royapettah, which is now the landmark building of Chennai..

I am happy to see that the outer façade is made of energy efficient glass while the nerve centre of the building is its atrium, a glass structure which facilitates day long harnessing and conservation of natural light and solar power.

The seating arrangement within this Building is Modular type and the ambience is no way less than the office of a Multi-National or a Global Company. I compliment all the Indian Bank family members and wish them grand success in the new building.

I have gone through the Business and Profitability position of Indian Bank and am proud to say that the turnaround from the tough phase of the 1990s to the present stature has been quick, robust and remarkable.

The total business of the Bank has crossed ₹ 2.00 lakh crore registering more than 20 per cent growth, with Deposits of over ₹ 118,000 crore (Rupees One lakh eighteen thousand crore) and Advances of over ₹ 87,000 crore (Rupees eighty seven thousand crore).

- For the year 2010-11, Indian Bank has clocked Net Profit of ₹ 1714 crore. The Operating Profit to Business and Net Profit to Business are highest amongst the Public Sector Banks. I am happy that the trend continues in the current year also.
- The Bank has a healthy **Net Interest Margin** of 3.75 per cent, one of the best in the industry.
- **Return on Assets (RoA)**, an efficiency parameter stood at 1.53 per cent as on March 31, 2011, which is the highest among Public Sector Banks.
- **Gross NPA to Gross Advances** at 0.98 per cent and **Net NPA** at 0.53 per cent as on March 31, 2011 – were again among the lowest in the industry.
- **Provision Coverage Ratio** at 84.30 per cent, as against the prescription of 70 per cent by RBI, was again the highest among the Public Sector Banking fraternity.

I am glad to note that the Bank's performance under various parameters has been commendable. Indian Bank has been consistently doing well achieving 44 per cent in Priority sector and 19 per cent in Agriculture lending in March 2011. Its pioneering efforts in initiating the SHG(Self-Help Group) movement and Financial Inclusion in the country are well recognized. Exposure to SHGs as of November 2011 was at ₹ 2332 crore benefitting 1.78 lakh SHGs. During the current year itself the Bank has credit linked 50,334 SHGs with a total credit disbursement of ₹ 1219 crore from April 2011 to November 2011, which is a remarkable achievement.

Indian Bank started the National Pilot Project of Financial Inclusion in Mangalam village in December 2005 in the Union Territory of Puducherry, again during Dr. K C Chakrabarty's tenure as Chairman and Managing Director. I am very happy that Indian Bank as the convenor Bank for State Level Bankers' Committee for UT of Puducherry has accomplished the GOAL POST of covering all the villages of more than 2000 population much before March 2012. The unique achievement of Indian Bank is that the Financial Inclusion drive has covered below 2000 population villages also. Thus UT of Puducherry is the first state having covered both more than 2000 population villages and less than 2000 population villages by the efforts of Indian Bank.

I am also happy to note that all 1511 villages allotted to Indian Bank with 2000 plus population have also been covered by Financial Inclusion – 1413 villages through Business Correspondent model, 47 villages through Banking Service centres, 6 villages by Brick and Mortar branches and 45 villages through mobile branch/ van.

I had the privilege to inaugurate the Bank's first "mobile van" catering to six villages of Jangipur in West Bengal and can see the enthusiasm of Indian Bank family in implementing financial inclusion with all the vigour and fervour.

The Bank has been doing well in extending Education Loans also and the efforts have been recognised by the awards it has been receiving consecutively for two years, from the Outlook Money Awards 2010 and 2011 and for Best Bank in Education Loans. Indian Bank has been awarded the Best Risk Master Award from FICCI – IBA 2011. CNBC - TV 18 Award has been conferred for Superior Quality of Assets, Profitability, Efficiency & Productivity in September 2011. Dun & Bradstreet has bestowed "Best in Asset Quality" Award 2011 on Indian Bank in August 2011. I fervently recollect that on 17th September 2011, Financial Express Best Bank award was handed over by me and received by the Chairman and Managing Director, Shri T M Bhasin at Mumbai. My Congratulations to Indian Bank family for all these recognitions.

The Bank has also made forays into international market in Singapore and Colombo. To replicate the successful SHG model and for rehabilitation of people in war affected areas of Jaffna, Indian Bank is the first "Indian" bank to open a branch in JAFFNA, in Sri Lanka, which is a laudable step.

The Bank has made many breakthroughs in technology and has been taking proactive initiatives to enhance customer service and customer experience at all

levels in all its CBS branches by aligning IT with its business objectives and providing technology-enabled products and services in tune with customers' requirements.

Indian Bank has set up 24-hour e-banking lounges offering 24 * 7 * 365 banking services with Internet Banking, Touch Screen Banking for all Account related transactions. I have just now inaugurated one such 24-hour operational e-lounge in the new building, for the use of all Chennaites.

Going forward, in terms of Business, Indian Bank intends to reach ₹ 5 lakh crore mark through a *pan* India network of 2500 branches, 2500 ATMs and 25000 staff members by March 2016.

I am sure that the New Corporate Building will enthuse the staff of Indian Bank to perform still better in the days to come.

My Best wishes to all the Indian Bank family members and Happy New Year 2012 to all of you.

Thank you
