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Union Finance Minister, Shri Pranab Mukherjee's speech on the occasion of inauguration of a Corporate Office Building of Indian Bank at Chennai

"I am very happy to be here with you on this occasion of inaugural function of the new Corporate Office Building of Indian Bank. As we all know, Indian Bank was founded on August 15, 1907 as a "Swadeshi Bank" exactly 40 years before our Independence. It has now a network of 1927 branches, 1209 ATMs with a business of over Rs. 2.00 lakh crore and a Net Profit of Rs. 1714 crore. The Bank had also received many awards during the last few years. I would like to convey my congratulations to Indian Bank family for all these recognitions.

In course of its journey, Indian Bank has emerged as one of the major commercial banks in the country. The bank is now moving to a spacious building with modern hi-tech facilities 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 and now sharing the dais as DG, RBI.

I am happy to note that this bank building has adopted modern energy efficient devices while conserving natural light and using solar power. Indian Bank has also adopted the latest Information & Communication Technology (ICT). I compliment the Indian Bank family members and wish them a grand success in their future operations from this new building. But the journey has only begun. Beyond the symbols of modernity we need to be smart, resilient and stable to reach out to the people at large.

The Financial Inclusion drive and **‘Swabhiman’** scheme in particular, is one of the key priorities of the Government and is critical to India’s economic development through inclusive growth. Access of the people at large, including rural poor to financial institutions is at the core of this financial inclusion. The large dependence of the poor on moneylenders cannot be overcome without improved access of the poor to financial intermediation. We must supply these services at their doorstep. All banks have been directed to provide appropriate banking facilities to habitations having population in excess of 2000 by March 2012, using various models and technologies including branchless banking through Business Correspondents (BCs) with the adoption of modern technology that offers us immense opportunities in this regard.

I am told that Indian Bank under Financial Inclusion drive has covered below 2000 population villages also, thus making Puducherry as one of the few states covering both more than 2000 population villages as well as less than 2000 population villages. It is indeed laudable that 1511 villages allotted to Indian Bank with 2000 plus population for 2011-12 have already been covered under Financial Inclusion. I must congratulate Indian Bank for these

achievements.

The draft Guidelines on Basel III Capital Regulations have been released on 30.12.2011 for implementation from January 1, 2013 and will be fully phased-in by January 1, 2019. These guidelines envisage more stringent norms for capital adequacy. On our part, the Government had committed for maintaining a minimum of 8% Tier-I Capital in all PSBs which is over and above the regulatory requirement of 6%. Extra provision/buffers required under BASEL III will also be taken care of. For the year 2012-13 also, the Government is committed to keep all the PSBs adequately capitalized. I can assure you, we are committed to bring our banks at par with their global peers while catering to the needs of our economy.

I am sure that the New Corporate Building will enthuse the staff of Indian Bank to outperform in the days to come. My Best wishes to the Indian Bank family members and a very happy New Year 2012 to all of you. "

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