

PRESS INFORMATION BUREAU

GOVERNMENT OF INDIA

**TEXT OF THE SPEECH OF THE UNION FINANCE MINISTER AT THE
INAUGURATION OF CORPORATE OFFICE OF ORIENTAL BANK OF
COMMERCE IN GURGAON AND CELEBRATIONS OF ITS 70TH
FOUNDATION DAY**

19th February, 2012

Please find below the text of the Speech of the Union Finance Minister Shri Pranab Mukherjee at the inauguration of Corporate Office of Oriental Bank of Commerce in Gurgaon (Haryana) and Celebrations of its 70th Foundation Day:

I am very happy to be with you on the inauguration of the new Corporate Office Building of Oriental Bank of Commerce, here in Gurgaon. A number of financial firms have been moving to Gurgaon and I am informed that this is the first Corporate Office of a Public Sector Bank which has been located in Haryana. It is a matter of pride for the State of Haryana to attract and host large financial corporates.

2. Oriental Bank of Commerce is moving to a modern, hi tech, green building to meet its changing and diverse business requirements. It is a befitting way to celebrate the Bank's 70th foundation day. The bank was nationalised in 1980 and is now the eighth largest among all nationalized banks in India with a business of over Rs. 2.66 lakh crore. The bank has a fine track record of adopting new technology, delivering improved customer satisfaction and earning profit consistently, since its inception. I am happy to know that OBC has been honoured with numerous awards during the last few years. I take this opportunity to congratulate the officers and staff of OBC for their remarkable achievements.

3. Indian Banking faces numerous challenges. An effective and efficient banking system is the backbone of a growing economy. It has a significant role to play in converting the growing aspirations of the people and the economy into reality. Though our nationalized banks have so

far been done well in facilitating the development of our country, the major challenges lie in sustaining this performance in an increasingly competitive environment and making this process more inclusive.

4. You would need to focus on growth through financial inclusion, product innovation, technology up-gradation, diversification and so on while complying with domestic regulations and adopting best global practices. While designing suitable financial products, you need to keep in mind the capital requirements of a diverse spectrum of borrowers such as large Indian MNCs, mid-size corporates, small and micro enterprises, exporters and priority sectors. Our endeavour should be to ensure that every segment of the poor and marginalised population has access to basic banking facilities at the earliest.

5. The drive for financial inclusion in general and the ‘**Swabhiman**’ scheme in particular, is one of the key priorities of the Government and is critical for making India’s development more inclusive and equitable. The need for much better access to financial intermediation for the poor is very high on our list of priorities. We must ensure that banking services are supplied at the common person’s doorstep. Indeed all nationalised banks are striving hard to meet the target of providing appropriate banking facilities to habitations having population in excess of 2000 by March 2012. In the next few years, we propose to cover all habitations having population of over 1,000 persons.

5. I am happy to know that OBC is well on track to achieve the stipulated targets laid out under this drive for financial inclusion. I am informed that the Bank has issued 4 licenses for Ultra Small branches in the villages of Mewat district of Haryana. Two of these branches have already been opened and the remaining will be opened during the month. The Bank has also opened 4 **Financial Literacy & Credit Counselling (FLCC)** Centres in Karnal and Palwal districts of Haryana, Sriganganagar in Rajasthan and Ferozpur in Punjab. Nearly 7000 persons have been counselled in these Centres.

6. The Government is in the process of implementing an e-payment system for direct credit of dues from the central government to the beneficiaries. I had announced in my Budget Speech last year that this system will bring transparency and expedite direct payments for subsidies from central paying units to the targeted beneficiaries of fertilizer, kerosene and cooking gas. All Banks have to gear themselves for this path breaking governance reform and I hope OBC will be second to none in this process.

7. 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 has committed to maintaining a minimum of 8% Tier-I Capital in all PSBs which is over and above the regulatory requirement of 6%. Extra provision or buffers required under BASEL III will also be taken care of. Last year, Government of India had infused Rs 1740 crore of capital in OBC. For 2012-13 as well, the Government is taking necessary steps to keep all the PSBs adequately capitalized. I can assure you that we are committed to bringing our banks at par with their global peers while catering to the needs of our economy.

9. The Banking industry is expected to be customer friendly and customer centric in its process and practices. Customer care is based on the principles of reasonableness in pricing, confidentiality and effective grievance redressal machinery. There is a constant scope for improving efficiency, reduction in transaction cost, offering advisory services etc. Technology should be leveraged more to offer customers better facilities. Indian Banks should aim at attaining the highest operational standards, to compete with the best in the world in providing customer service. I look forward to the time when Indian Banks would be among the top global players in the world.

10. On this happy occasion of moving into a new Corporate Office, it would be most appropriate for the Oriental Bank of Commerce and its employees to reaffirm your commitment to larger social responsibilities in the interest of national development. I wish you all success in your respective endeavours and may your organisation scale greater heights of excellence in the years come.

On this occasion, the Chief Minister of Haryana, Shri Bhupinder Singh Hooda, Minister of State for Finance Shri Namo Narain Meena, Chairman, Oriental Bank of Commerce(OBC) Shri Nagesh Pydah, senior officials and staff of the OBC, its esteemed customers and distinguished guests were also present.

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