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**FM STRESSES ON FINANCIAL INCLUSION; SAYS BANKS NEED TO KEEP A
STRONG VIGIL ON THEIR ASSET QUALITY**

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The Union Finance Minister Shri Pranab Mukherjee has said that the Central Government firmly believes that financial inclusion is a necessary condition for inclusive growth. He said that the Public Sector Banks (PSBs) have to play an important role in financial inclusion in our country given the distribution platform they enjoy and experience they have in serving the rural hinterland for the past five decades. Shri Mukherjee said that technology needs to be leveraged to scale up the financial inclusion initiative. Financial inclusion would make better business sense if banks make that extra effort in developing appropriate business models, the Finance Minister added. The Union Finance Minister Shri Pranab Mukherjee was speaking at the 106th Foundation Day celebrations of Bank of India, here today. Shri Mukherjee said that Bank of India is one of the largest Indian Banks, serving the banking needs of millions of customers through its about 3700 domestic branches and 29 foreign offices.

The Union Finance Minister Shri Pranab Mukherjee said that Indian Banking is dotted with institutions with a long cherished history of success, enterprise, adaptability and an innate urge to serve the society and Bank of India is one such banking institution. He said that over 100 years ago, on 7th September 1906, the Bank of India was founded by a group of Mumbai based eminent citizens. The Finance Minister Shri Mukherjee said that the journey of 105 years of the Bank has been impressive matching the progress of the nation and also reflecting the aspirations of the people of our country. The Bank has emerged stronger with every crisis, he added.

The Union Finance Minister Shri Pranab Mukherjee said that Bank of India has been one of the leaders in cross border business. It had opened offices in London way back in 1946 followed by Tokyo in 1950, Singapore in 1951 and several branches thereafter in quick succession. He said that at present, Bank of India is present in four continents and it has plans to make forays in other places. Shri Mukherjee said that he has noticed that roughly 20% of the Bank's business and operating profits are derived from overseas operations.

The Union Finance Minister Shri Pranab Mukherjee said that apart from its formidable international presence, Bank of India is doing a great service in bridging the gap between the rich and the poor. Given its extensive branch network, it is in a good position to partner with the government in mitigating the last mile problem associated with developmental initiatives and financial inclusion, he said.

The Union Finance Minister Shri Pranab Mukherjee said that rural banking is a business opportunity waiting to be tapped and should not be seen only as a social responsibility to be met by the Banks. He said that PSBs with their Rural and Semi-urban branch network and with their established experience, must harness the potential in greater measure than they have done so far. Shri Mukherjee said that he had urged the Bank of India to advance the target date for financial inclusion by one year. Shri Mukherjee expressed happiness that Bank has lived up to his expectations.

The Union Finance Minister Shri Pranab Mukherjee said that in addition to financial inclusion, the banks need to play a catalytic role in nurturing entrepreneurial talent in the rural India. He said that SME segment with its entrepreneurial talent, has a very high potential for income and employment generation in the country. Banks can play very constructive role in this regard by financing the SME segment. The Minister was happy to learn that Bank of India has launched some innovative loan products to meet the requirements of this segment.

The Union Finance Minister Shri Pranab Mukherjee said that in service sector customization of products, processes, technology and above all people behind them are important ingredients for success. He urged upon the Bank to have diversified products, time tested processes and technology by its side to fulfill its ambitions to grow and for this the Bank should have a sound HR policy. He said that he was aware of the HR challenges being faced by the banks today. Banking is no longer a simple trade, it is now complex and knowledge based, he said. We need to constantly train our people and groom them for further leadership roles, said the Finance Minister.

In his concluding remarks, the Union Finance Minister Shri Pranab Mukherjee said that we are living in a globalized world. Globalization has its benefits but also poses challenges and one such challenge was the global financial crisis. He stated that the inflation challenge faced by India is partly an off shoot of the policy response in developed countries to the crisis. He said that the commitment to moderate levels of inflation has led to higher interest rates. In this environment, banks need to keep a strong vigil on their asset quality, he said. The Finance Minister Shri Mukherjee said that these are turbulent times and we should watch every step that we take. But this should not prevent us from taking bold and innovative steps. Shri Mukherjee wished the Bank of India to successfully carry on its good work for time to come.

On the occasion, Shri Mukherjee inaugurated 106 branches of Bank Of India, seven core values of the Bank as also the Pensioners Aadhaar card, Platinum Deposit Saving Scheme and International Travel Card.

In his welcome address, the CMD of Bank of India, Shri Alok K. Misra spoke of the bank's history and achievements. He said that the bank aimed to reach every district of India and to 22 countries worldwide.

The Guests of Honour on the occasion were Union Minister of State for Finance, Shri Namo Narain Meena and Shri D.K.Mittal, Secretary, Department of Financial Services.

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