Chairman’s Speech at Inaugural Session at GES 2015 at Pragati Maidan, New Delhi

- Most Respected Prime Minister Sir,
- Respected Union Ministers and,
- Dignitaries on the dais and in this August Gathering
- Good Evening to you all

- At the outset, I thank the Ministry of Commerce for inviting Indian Banks’ Association, all the Banks, Insurance Companies and Financial Institutions to participate in this Global Exhibition on Services.
- We have showcased the BFSI Sector of India in a grand way, in the exhibition hall. I invite each one of you to visit the BFSI Pavilion and provide us an opportunity to be of service to you.
- India has a robust and well diversified financial sector, which is undergoing rapid expansion. Commercial banks account for more than 60 per cent of the total assets held by financial system.
- As such, Banking Sector is the major financial intermediary of the economy.
- **Market Size** :- The size of banking assets in India has crossed US $ 2 trillion mark,
- The banking industry in India has the potential to become the fifth largest banking industry in the world by 2020 and third largest by 2025 according to a recent KPMG-CII report.
- Share of Banking, Insurance, real estate and business activities in the GDP has gone up from 13.2 per cent in 2004 to 20.7 per cent in 2014.
- Share of Bank deposits to GDP has gone upto 67% in FY 2014 from 61% in 2007.
- Similarly, the share of Bank Credit to GDP has gone upto 53% in 2014 from 45% in 2007.
Over the last few decades, Indian banking Industry has grown significantly in terms of size, spread and scope of activities. Industry has also seen a shift from traditional to channel-based banking.

India is one of the top economies in the world where the banking sector has tremendous potential to grow. In the global context, the Indian banking sector compares favourably in terms of reasonable soundness indicators and low concentration ratio.

**BFSI in India has a vast Reach.**

- Banking Services are now available to each household across the nation.

**Resilient and robust Banking system.**

- The overall banking system in India is quite robust, stable, resilient and time tested.
- Though, the Net NPAs of the Indian Banking Sector stand at 2.5% (as on September 2014), the banks continue to display comfortable capitalization levels at 12.8%.

**Products**

- Banking Industry offers safe, sound secure and liquid saving products to mobilize resources from the public and lends to various sectors of society for augmenting production and earning capacities of Industry, Corporates, Commercial Establishments, Infrastructure and Priority Sector.

**Sectoral Deployment of Credit**

- In terms of credit deployment Non-food credit accounts for 97.7% of gross bank credit. Agriculture Sector’s contribution to total advances is at 12.37 per cent while Industries contributed 43.31 per cent of which Large Industries contribute 34.98 per cent. Services Sector’s contribution to bank credit is 22.85 per cent and the retail segment is at 19.54 per cent in February 2015.
Among Industries, Infrastructure contributed the highest at 34.9 per cent and Power Sector’s contribution was at 21.13 per cent.

As far as Ease of doing Business in BFSI in India is concerned:-

- Globally, India stands at 36 in the ranking of 189 economies on the ease of getting Bank credit.
- Union Budget 2015-16 take steps to ensure ease of doing business by simplifying the procedures for Indian corporate to attract foreign investments. It has done away with the distinction between different types of foreign investments, especially Foreign Institutional Investor (FII) that comes under portfolio investments, and Foreign Direct Investment (FDI)
- In the Insurance Sector FDI cap has been increased to 49%.
- Our Beloved Prime Minister has made Banking For all, a realizable dream.
- We are all aware of the resounding success of Pradhan Mantri Jan Dhan Yojana, launched by our beloved Prime Minister Shri Narender Modiji on 28th August 2014.
- Banking Sector with its vast network of 1,20,000 branches, 1,25,000 Business Correspondents known as Bank Mitr or Banking Friends of People and 1,75,000 ATMs have offered an access to each and every household by opening 140 million Bank accounts under Pradhan Mantri Jan Dhan Yojana (PMJDY)
- BFSI sector is now working towards offering micro credit, insurance and pension to the PMJDY account holders.
- In the Union Budget 2015-16 speech, our forward looking Union Finance Sir, has announced three more schemes for the poor and middle class which would immensely help them in financial security. Under Pradhan Mantri Suraksha Bima Yojana (PMSBY), a person would be covered for Rs. 2 lakh of accidental death insurance at a premium of only Rs. 12 per annum i.e. Rs. 1 per month. Under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJBY), a person would be covered for Rs. 2 lakh of life insurance, at a premium of Rs. 330 per annum (i.e. less than Rs. 1/- premium per day). In addition a new pension scheme for unorganised sector called “Atal Pension Yojana” has been introduced which by
saving a small amount every month, a person can get pension upto Rs. 5000 per month from the age of 60 years.

- BFSI Sector is as such proud to be a part of **JAN DHAN AND JAN SURAKSHA**.

**Robust Payment System**

- Banking Industry in India has developed a very robust payment system through National Payment Corporation of India (NPCI) offering all types of alternate delivery channel like ATMs, micro ATMs as a mobile device used by Business Correspondents Agents (BCA) for offering banking services at doorstep, Mobile Banking etc.
- Bio-metric authentication of the customers using Aadhar has facilitated inter-operability of BC outlets. Customer of a bank can do banking transactions at BC outlet of another bank.
- Each and every account holder under PMJDY has been provided with RuPay Card, which is the country’s own debit card enabling universal access to the account holder and also an accidental insurance cover of Rs. One Lakh.
- Banking industry has also developed a platform for routing Direct Benefit Transfer. This is a mechanism by which subsidy under various Government Scheme will directly go to each and every beneficiary account by ensuring direct credit to their account without any intermediary. This will help in efficient management of Government subsidy system.
- The Jan Dhan Aadhar & Mobile Trinity is a major reform in the crediting subsidy directly to Bank accounts.

**Global Operations**

- Indian Banks have a dominant presence through 180 branches all across the globe.
- Credit extended by Indian banks' branches operating abroad increased 31.2 per cent to US $ 150 billion as on date.
• To conclude, Indian Economy today one of the most vibrant global economies, on the back of robust banking and insurance sectors. The country is projected to become the fifth largest banking sector globally by 2020, as per a joint report by KPMG-CII. The report also expects bank credit to grow at a compound annual growth rate (CAGR) of 17 per cent in the medium term leading to better credit penetration.

• Focus of the Government today is on empowering people of India for self sustaining growth and the Banking Industry and BFSI are fully geared up to be a part of around growth of every citizen of India.

Thank you all.