

**ADDRESS BY THE HON'BLE PRESIDENT OF INDIA  
SHRI RAM NATH KOVIND  
AT THE GOLDEN JUBILEE CELEBRATIONS OF THE NATIONAL  
INSTITUTE OF BANK MANAGEMENT**

**Pune, February 12, 2020**

- Governor of Maharashtra, Shri Bhagat Singh Koshyari
- Governor, Reserve Bank of India, Shri Shaktikanta Das
- Director, National Institute of Bank Management, Doctor K. L. Dhingra
- Members of Governing Board, Students, Faculty and other Staff members
- Distinguished Guests
- Ladies and Gentlemen

1. It gives me immense pleasure to be here with all of you on the occasion of the Golden Jubilee celebrations of the National Institute of Bank Management (NIBM). Fifty years of service to the nation is a matter of pride. I offer my hearty congratulations to everybody associated with the Institute on this occasion.
  
2. It was the great foresight of Reserve Bank of India and banks to have set up the National Institute of Bank Management for capacity building. It was founded as an autonomous apex institution for research, training, education and consultancy in bank management. It has been living up to its mandate. I gather that since inception more than 1.1 lakh bankers have been trained here. NIBM campus has also hosted nearly 9,000 international students. The Institute has thus contributed immensely to the building of India's 'soft power' abroad. During my visits abroad as President, I am glad to see youngsters from India as well as those educated or trained in India making an impact.

Ladies and gentlemen,

3. Banks are fulcrum of our economic system. Their efficiency in this role has earned trust and respect of people. Our Constitution promised economic justice for all citizens. Banks were considered the crucial vehicle to deliver this Constitutional commitment. On this occasion, I commend banks in India for charting out a mandate well beyond their traditional role as a financial intermediary. They have been an integral part of the State's efforts to reach out to every section of our population.
  
4. Over the years, banks have played a sterling role in fuelling India's economic growth. At the time of Independence, the banking sector faced many challenges including lack of presence and instability. For a nascent Republic, these were major hurdles in creating economic opportunities for its citizens. But the progress made by the banking sector since then can be viewed with sense of satisfaction. Today the number of bank branches opened in a year is comparable to the total number of branches we had at the time of Independence. Banks have made their presence felt in most of the villages of India. Regulatory oversight of the Reserve Bank of India has also brought greater stability to banking operations. I have learnt that recently role of Reserve Bank of India as regulator has been enhanced. We trust that this will deter malpractices and make our financial systems more credible.
  
5. For a very long period after independence, a large number of people, particularly the poor, had no access to banking. Efforts made by Banks under "Pradhan Mantri Jan Dhan Yojana" have significantly changed this position. One can say that never before in history have so many been brought into the fold of the formal financial system. As the scheme progressed, nearly 35

crore bank accounts have been opened. This number is larger than the population of all countries except ours and China's.

6. I heartily commend the efforts of all individuals in the banking sector in making it possible. I would also urge them not to leave any citizen behind. It need not be emphasised to a banker that this is also the best way of gaining "market depth" and "de-risking operations".
7. Through financial inclusion, we have taken rapid strides in covering the unbanked sectors of our population. The challenge before us is now to deeply involve those included. I would urge all of you to think of financial products which meet the needs of those at the bottom of the ladder. I have noted that NIBM has good research facilities. These need to be used for creation of financial products for the poorer sections of the population. Progress of the country depends on the contribution of the collective economic strength of the poor. Self-help group movements, led by women, have shown benefits one can reap by investing in the poor.
8. Deep involvement of those at the bottom of ladder requires display of empathy and compassion by Bankers. This needs greater engagement on part of banks with our underprivileged population and attitudinal change towards them. Our banks have done a commendable job in changing banking from an elitist pursuit to a service available to common man. Millions of lives have been touched through direct transfer of funds under various welfare schemes to bank account of poor and needy. I have learnt that these funds amount to almost 9.2 lakh crore rupees. This is indeed very reassuring and we can raise our bar of expectations.
9. Women, all of you will agree, have greater financial acumen. I note with satisfaction that the gender gap in ownership of

accounts is coming down rapidly. This takes us a few steps closer to our Constitutional goal of economic as well as social justice. I request banks to take proactive measures to bring greater gender parity in ownership of financial assets. As part of social responsibility, banks can adopt certain geographical areas for increasing financial awareness among women. NIBM may consider designing toolkits, which banks can use.

10. I had the opportunity to meet many 'Divyang' persons during my visits to different parts of India. My Interaction with them revealed their tremendous potential, when provided an enabling environment. Divyang are more than 2 per cent of our population and we have to make every effort to fully integrate them in the financial mainstream. I gather that Reserve Bank of India has issued detailed guidelines regarding easy access of banking facilities to 'Divyangajan'. I will urge Reserve Bank of India to proactively take all measures to improve access of financial services to our 'Divyang sisters and brothers'.

Ladies and gentlemen,

11. India has become one of the largest economies in the world. Banks have been a constant part of India's growth saga. As India aims to become a 5-trillion-dollar economy, the banking sector has to start preparing for the next big leap. This mainly involves "banking with the unbanked" and "securing the unsecured". In this pursuit, I urge NIBM to take responsibility of creating a pool of trained human resource, which is skilled to serve banking institutions of global standards.
12. India's future journey will be greatly helped if banks exhibit deeper reach and become more efficient. Given the growing size of our economy, we should aim to have more than just one name in the world's top 100 banks.

13. Our future roadmap will also have to consider our 'demographic dividend'. Banks have a significant role to play in ensuring that this advantage is suitably leveraged. Schemes such as MUDRA and Stand-Up India are channelling funds to aspirational entrepreneurs. I will request all bankers to keep a keen eye and not let a good idea die for lack of funding.
14. Banks have been at the forefront of adopting technology. Innovations such as faster settlement systems, internet banking and payment banks have made banking much easier for a customer. Global admiration which indigenously developed United Payment Interface has drawn is a tribute to leadership provided by Reserve Bank of India and all Indians can be proud of this. I am certain that banks are keenly looking at new emerging technologies to maintain high standards. I trust Reserve Bank of India is also providing necessary guidance, as well as addressing the issue of proper safeguards in adoption of technology.

Ladies and gentlemen,

15. After independence banks were also considered part of a social contract of ensuring growth with equity. Considering importance of banks in the economic system of the country, Banking Regulation Act was implemented in 1949. Founding fathers of our Nation were very conscious of the role banks have to play as holders of public trust. I will exhort all bankers to judge their actions by this touchstone given to us. As custodian of public money, banks have significant fiduciary responsibility in the economy. They have to take all possible prudential measures to ensure that trust is not betrayed in any manner. Recent proposal to enhance Deposit Insurance Coverage from Rs 1 lakh to Rs 5 lakh is a positive step in the direction of assuring savers.

16. From small beginning, banks have become multicultural organisations. Banks, therefore, stand for the values of plurality enshrined in our Constitution. It is important that we continue to pursue equality and diversity both within the banks as well as in extending our services to the society.
17. It is heartening to note that the NIBM has come to be widely recognised as a centre of learning and excellence in India and abroad. I gather that NIBM is developing manpower to meet evolving requirements of our Banking sector. I congratulate Governor, Reserve Bank of India, current and past directors, faculty and staff of the Institute for this achievement and look forward to their greater dedication and contribution towards supporting the banking industry.
18. I wish students and faculty of NIBM all success in their future endeavours and many glorious years ahead.

Thank you  
Jai Hind!