Shri A. K . Goel
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Dear Members,

It gives me great pleasure to place before you the highlights of the Institute's performance during the Financial Year (FY) 2023-24. I would like to commence my message with a brief on India's growth story, followed by the opportunities and challenges for the banking sector in India.

Economic Outlook

India has crossed many milestones since independence and is poised to become an economic super-power. India grew at a rate of 8.2% during FY 2023-24 and continued to remain one of the fastest growing larger economy in the world. With the mission of 'Viksit Bharat', India aims to attain the status of a developed nation by 2047.

The Central Budget 2023-24 prioritises inclusive development, green growth, financial sector reforms and investment in infrastructure. The vision of 'Amrit Kaal' includes job creation, focus on youth and opportunities for citizens.

Banking Update

The financial and economic conditions in the country have largely been stable in FY 2023-24, thus, giving rise to a growth momentum in near-term and long-term.

Scheduled Commercial Banks (SCBs) remained well-capitalised, maintaining capital adequacy above the regulatory minimum as at end - March 2024. Bank credit growth sustained the momentum during 2023-24. The asset quality of SCBs improved further, along with moderation in the Gross Non-Performing Assets (GNPAs) as at end - March 2024. Profitability indicators such as Return on Equity (RoE) and Return on Assets (RoA) were also robust. Scheduled Commercial Banks (SCBs) ended FY24 with a higher non-food bank credit growth of 16.3% against 15.4% in FY23. Banks' credit growth to agriculture and allied activities was robust at 20.1% year-on-year in March 2024.

India's digital payment landscape has seen remarkable growth over the past decade. The impressive growth in digital payments has been driven by various factors, including the swift expansion of digital infrastructure, the widespread popularity of Unified Payments Interface (UPI) and other digital payment instruments, as well as changing consumer preferences towards digital transactions. During 2023-24, the momentum carried on, with UPI,

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the country's real-time payment system, recording a remarkable growth of over 50%. The recently announced Unified Lending Interface (ULI) by RBI is likely to have a far-reaching effect on the lending ecosystem.

Indian Fintech industry is estimated to be at US$ 150 billion by 2025. India has the 3rd largest FinTech ecosystem globally and is one of the fastest-growing FinTech markets in the world. This industry has the ability to disrupt the financial ecosystem of India, wherein the banks have to reinvent their products and services to match the FinTech industry. Collaboration, not competition, will shape the future course of action in the BFSI ecosystem.

I will briefly touch upon a few challenges faced by the banking industry in general and public sector banks in particular:

i) *Low deposit growth:* Due to the alternate channels of investment, banks are facing an uphill task to garner deposits to match the robust credit growth.

ii) *Issues relating to compliance:* Regulatory and supervisory compliance has assumed much importance and the regulator is taking punitive actions against non-compliance of rules and regulations.

iii) *Increase in number of frauds:* Banks are facing challenges to tackle the frauds perpetrated through banking channels, mostly digitally. These frauds have the potential to scare the customers and dent the reputation of banks.

iv) *Level of customer service:* Good customer service is a must for the growth of the business of any bank. There is an urgent need for improving customer service and grievance redressal processes.

Performance of the Institute

During the course of FY 2023-24, the Institute has made significant progress in terms of customising and diversifying its academic and training offerings, in line with its 'Vision 2025'.

During the course of last couple of years, the Institute has reinvented itself by adopting technology in a big way, mainly in its training pedagogy and examination processes, in line with the digital paradigm shift experienced by the banking sector as a whole. Facilities such as AI-driven remote proctoring of examinations and training through web-based platforms have emerged as important tools for the Institute.

Some of the major initiatives undertaken by the Institute during the year are provided below:

- The Institute has been involved in rationalizing the number of its Diploma and Certificate courses, realigning the syllabi and updating the coursewares, in cognizance with the practical learning needs and relevant regulatory changes in the domain.
- During the last financial year, the Institute has developed and delivered customized certification programmes for some of the major public sector banks, private sector banks and a major NBFC, in line with the identified training gap/s especially in the domain of AML-KYC and Compliance.
- As per the MoU signed with International Finance Corporation (IFC), World Bank Group, the Institute has launched a first-of-its-kind E-Learning cum certification programme on 'Climate Risk and Sustainable Finance' for banking and finance professionals in India.
- IIBF has also signed an MoU with United Nations Environment Programme Finance Initiative (UNEP FI) to conduct physical workshops on 'Sustainable finance and Responsible banking' in the four major metros in India, namely Mumbai, Delhi, Chennai and Kolkata.
- IIBF continues to be the sole certifying body for Debt Recovery Agents (DRAs) and Business Correspondents/Business Facilitators (BCs/BFs). In FY 2023-24, 72,502 candidates were certified under DRA certification and 2,47,108 candidates were certified under BC certification, thereby, giving a boost to financial inclusion.
- In FY 2023-24 itself, the Institute has conducted a total of 258 training programmes with a total of 9,298 participants across 211 banks, including Cooperative banks and Regional Rural Banks (RRBs).

  These training programmes include both customised and open programs, with thrust on high value customised programs, e.g. Leadership Development Program in collaboration with XLRI, Jamshedpur and Advanced Program on Strategic Management in collaboration with JBIMS, Mumbai.
- The Institute has been promoting research activities in the banking and finance domain by financing Micro and Macro-research initiatives for the bankers in India. Recently, the Institute has signed an MoU with IIM-Mumbai on promoting active research in the domain.

- The Institute continued to leverage on its domestic and international collaborations. The Institute has signed a MoU with Financial Planning Standards Board (FPSB)-India, for a special preference for CAIIB qualified candidates in terms of fees and academic credits, while pursuing the internationally recognised Certified Financial Planner (CFP) qualification in wealth management.

IIBF, as part of its Member Education Series, had organised a series of webinars and seminars on contemporary topics for the benefit of banking & finance professionals. All these webinars have been well-attended and enthusiastically received by the banking fraternity.

Corporate Social Responsibilities

The Institute has taken voluntary Corporate Social Responsibility (CSR) Initiatives, as a measure of good governance. The CSR Policy of the Institute intends to achieve the following objectives.

- Promotion of education including special education and employment enhancing vocational skills among different groups of society.
- During FY 2023-24, IIBF has spent an amount of INR 1,25,00,000 under CSR scheme.

Looking Ahead

The fast-expanding BFSI sector has emerged as one of the largest employer in India. For a knowledge driven industry like BFSI, it is crucial to develop the necessary knowledge and skillsets among the employees. IIBF is poised to play an increasingly pivotal role in this area.

The Institute will continue to keep the interests of its members at the forefront and work towards enhancing their skill and knowledge base. I am sure that the Institute will replicate its robust performance in the ensuing financial year too.