Invited Article for Golden Jubilee Year of NIBM

National Institute of Bank Management –
A Glorious Journey of Five Decades

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The National Institute of Bank Management (NIBM). Pune play a proactive role in capacity building initiatives in the banking sector for the last fifty years. Creation of NIBM by Adarkar Committee has been an important landmark in the history of banking to contribute to train senior and middle level personnel of commercial banks. This paper discusses the evolution of the institute over five decades and highlights its key contribution in knowledge and skill formation in the banking sector.

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Background
National Institute of Bank Management (NIBM) was established on September 24, 1969 by the Reserve Bank of India (RBI), in consultation with the Government of India (GoI), as an autonomous apex institution for research, training, education and consultancy in Bank Management. Its mandate is to play a proactive role of “think-tank” of the banking system. NIBM is part of the grand vision of giving a new direction to the banking industry in India and making the same a more cost-effective instrument for national development.

NIBM is governed by a Board, its highest policy-making body and, the Governor of the Reserve Bank of India (RBI) is the Chairman of the Governing Board. The Governing Board includes representatives from the various member banks and educational institutes. The institute is well-equipped to train executives to function in a multi-cultural and multi-national environment. By providing inter-disciplinary modules of theory and practical learning, participants of NIBM training programmes are equipped for problem-solving independently. Today,

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the Institute, conducts around 200 training programmes in a year in various functional areas and also holds Workshops/Seminars/Conferences addressing issues of topical concern to the banking and financial services industry. Over 4000 participants, including about 400 from various developing nations attend NIBM training programmes.

The Institute also attaches significant importance to research and carries out studies in the areas of Banking and Bank Management. As a result of this focus, there are innumerable research-based publications by faculty members of the Institute. Consulting is another mainstream activity for the Institute. NIBM has been engaged in providing customized solutions to issues confronting the Banking and Finance industry. The Institute has carried out many prestigious consulting projects both for Indian and International organisations. Since its inception, the Institute has been bringing out a variety of publications in the form of books, monographs and working papers. The institute has two in-house journals *Prajnan* and *Vinimaya* and other publications such as Bankers Brief, which are published on a regular basis.

NIBM also offers a two-year Post-Graduate Diploma in Management (Banking & Financial Services) which is recognized by All India Council for Technical Education (AICTE). The programme has been well appreciated by the industry which has led to ensuring cent-per cent placement of the students in the financial system.

The Faculty consists of academicians and practicing bankers who specialize in different functional areas like Strategic Planning, Marketing and Control; Finance; Human Resource Management; Information Technology; Money and International Banking and Finance; Rural Finance and Development.

Currently, the Institute is a praiseworthy for innumerable achievements because of its solid commitment to the tasks assigned to it by the banking industry over the years. In this context, it would be an interesting exercise to make a bird’s eye view of its untiring struggle and milestones during its long and glorious journey of Fifty Years and also to look ahead. Next, the paper discusses the origin of the institute, its early years, historical development and important milestones achieved during the journey and way forward.

**The Origin of the Institute**

India followed a socialist development strategy after Independence. As part of this approach, the Government introduced Social Control in July 1967. These measures were aimed towards removing the control on banks by a few big houses; providing adequate credit for agriculture, small industries and exports; giving professional touch to management; encouraging new classes of entrepreneurs to come up; imparting adequate training as well as better terms of services of bank staff; and, spreading banking infrastructure in rural areas to supply institutional credit on soft terms.
In December 1967, the RBI appointed a Working Group on Training Facilities for Senior and Middle-level Personnel of Commercial Banks, under the chairmanship of Shri B N Adarkar, Deputy Governor, RBI. After assessing gaps in training and appreciating a need for the development of senior and middle-level executives in commercial banks, the Working Group recommended the setting up of NIBM.

Elaborating the role of NIBM, the report states, "It should be the nucleus of all training and development activity in the banking sector. Its principal objective should be to translate national policies relating to the banking sector into meaningful training programmes at the level of an individual bank and help the implementation of those policies by creating a climate of intellectual appreciation and emotional dedication. The Institute should not only provide the leadership but also function as a catalytic agent in bringing about the necessary attitudinal changes in bank management and to awaken the spirit of service in the banking industry, besides coordinating manpower planning, utilization and development of personnel in the banking industry and operating as a chief spokesman of the banking sector on all matters relating to management development".

Accepting the recommendations of the Working Group, the RBI Governor immediately set up an Executive Committee under the chairmanship of Shri B.N. Adarkar, Deputy Governor, RBI, to take up the preliminary steps for the establishment of the NIBM. Dr, N. C. Mehta, assumed the charge of the Institute as founder Director, on March 01, 1969.

On establishment, for few months, the Institute functioned from the erstwhile Bankers Training College, RBI and, later moved to its own office premises at Napean Sea Road, Mumbai. On September 24, 1969, the NIBM was formerly registered as a society.

**A Walk Down Memory Lane-Early Years of the Institute (1969-73)**

The Institute started functioning in 1969 with three faculty members and a few staff members. The first action point taken up was to form four study groups comprising senior bankers to undertake studies on Foreign Trade, Information System for banking-related data analysis, and HR in banks and, Branch & Head Office relationship. Based on the reports of the Study Groups, three workshops were held in the areas of Priority Sector Lending.

In 1970, after appointing 18 faculty members and the required staff in Administration, the institute commenced training and research activities on a wider scale. The initial training programmes included workshops on Management Development and Financing of Exports; Workshop on Recruitment and Selection, meant for chiefs of Personnel Department of commercial banks; a two-tier programme for Regional Managers (Senior Executive Course) and for AGMs/DGMs (Advanced Management Seminar) in collaboration with Indian
Institute of Management, Ahmedabad: a three week Trainers Training Programme followed by short duration courses for trainers in functional areas who, in turn, trained nearly 1000 officers in their training establishments. These training initiatives were well appreciated by the banking industry in view of the massive branch expansion initiated by banks.

Training activities continued to expand in the 1970s with new training programmes and collaborations. A few noteworthy initiatives include workshops in collaboration with Agricultural Finance Corporation, Executive Development Programme for regional managers and Branch Managers. These programmes tried to operationalize the national Banking policy by translating the policy into operational implications ranging from planning & budgeting to decentralized organizational structure to relevant credit management technique. Gradually in the '70s the Institute offered almost 20 programmes per year at different locations. At this point the Institute faced challenges due to absence of training infrastructure at the Institute premises and had to offer training programmes at external locations.

During the 70s the Institute also made its presence felt in the area of research. The early research activities of the Institute include a field survey for assessing business potential in collaboration with Andhra Bank and The Jammu and Kashmir Bank Limited; a study on assessment of risk associated with rural lending based on the primary data analysis and application of advanced statistical tools; studies on Manpower Planning and Forecasting; studies on Integrated Information System in Banks, business planning and development, organizational planning, costing and budgeting and management of lending. In 1973, the Institute prepared a draft National Banking Plan for credit allocation between sectors, regions and urban and rural areas. At the request of Bihar Government, a comprehensive Banking Plan was also prepared for the state giving a detailed proposal for branch expansion and credit allocation in the selected blocks. A Doctoral Fellowship programme to promote research in the broad areas of Banking and Bank Management was also introduced.

Consulting projects commenced in 1970 with consultancy services for two banks for preparing a Business Plan. Other projects taken up by the Institute included projects on Reorganization; advisory services to banks and Financial Institutions (FIs) in promotion; development of training establishments by designing new courses, preparation of training materials, selection of faculty etc. The Institute was represented on the Governing Council of the Northern India Staff College and Southern India Staff College which were set up to train officers of small banks.

From the early years of its inception, NIBM collaborated with bankers from neighbouring countries such as Thailand, Malaysia, Bangladesh, Nepal etc. by organizing the visits of bankers from these countries for exchange of ideas and sharing of experiences. As part of faculty development, the Institute increased
its presence in the international arena when NIBM faculty visited foreign institutions and universities either to participate in the conferences or to present their papers.

NIBM attached sufficient importance to Publication as one of the major activities. To start with, in 1970, summaries of the proceedings of the four workshops were brought out in the form of a study report. In the next year, 1971, it published the Report of the Review Committee on Training Programmes of commercial banks. In addition, proceedings of various workshops held in the Institute were published in the form of a Working Paper. In 1970, NIBM News Letter was also brought out. In 1972, the first issue of Prajnan, a journal of the Institute, was released at the hands of Shri Y. B Chavan, the former Finance Minister, GoI. One of the most effective, useful and economical methods of training of bank personnel in respective technical subjects like Remittances, Deposits was the Programmed Learning (PL) Texts. The Institute, with the help of a number of faculty in the Staff Training Colleges and senior bank executives, started preparing PL Texts on different topics such as Analysis and Interpretation of Balance Sheets, Remittances, Safe Deposit Vault, and Scrutiny of Cheques, Deposit Accounts and Collection Cash Department, etc.

Thus, during the initial period, the first phase of 'awareness creation' was essentially completed and the Institute was then ready to shift its emphasis on 'installation of systems'.

**NIBM Activities – Historical Developments and Significant Contributions**

NIBM has made consistent efforts to facilitate banks and financial institutions in meeting their demands by redesigning its core activities viz., training, research and consultancy in line with the requirements of the banking industry. Efforts are also being made to further expand and more effectively utilize the Institute's capabilities to help the banking sector in making bank executives more professional through training, disseminate professional knowledge and information gained through research activities and provide consultancy services for problem-solving. The major focus has been on qualitative improvement, innovation and institution building.

In the journey of the Institute, the year 1985 was of significant importance when it shifted to its permanent campus in Pune. The new campus, with its excellent academic infrastructure, residential facilities for running the multiple programmes simultaneously, provides excellent opportunities and challenges for a new thrust in the overall development of activities of the Institute. By shifting to the new campus, it marked a beginning of enhanced activities and showed promise of both qualitative and quantitative improvements in training, research and consultancy services.
The Institute's activities are broadly in the areas of environmental analysis, planning, organization, control and marketing; finance; international banking; development banking; human resource development and information technology.

Over the years, training programmes at NIBM have been reshaped by changes in regulations and expectations from RBI. For example, while early years included an emphasis on agriculture related programmes, the focus shifted in 1993-94 with financial sector reforms as per the recommendations of the Narasimham Committees-I and Narasimham Committee-II. Since then, the Institute's consultancy services have been sought after by banks and financial institutions especially in the areas of Risk Management, ALM, Bank Lending, Management of Investment Portfolio, Bank Re-organisation, Customer Service, Competency Mapping and Development, etc. Accordingly, the Institute's activities have passed through different phases of transformation.

**Training Activities**

The focus of the training activities of NIBM is on imparting new perspectives in the crucial areas of concern to the banks. The Institute conducts:

- (i) Programmes in General Management, and in Functional areas
- (ii) Annual conferences, seminars and workshops on topical issues
- (iii) Faculty Development programmes
- (iv) In-company programmes
- (v) International programmes in Banking and Finance.

The duration of training ranges from short duration (two/three-day) conferences/seminars/workshops for the top and senior management to one-week duration programmes in functional areas. Conferences/seminars and workshops are organized to deliberate on the changing policy guidelines of RBI and their impact on operations and management of banking business. Further, in order to increase the reach of the Institute to the banking system, it also organizes on-location programmes. In recent years, the number of foreign participants attending the Institute's training programmes is rapidly growing.

Further, given the complexities in the emerging market, there is an ever-increasing need to groom talent, develop new skills and provide perspectives on the existing executive cadre. Hence, the Institute is offering specialized programmes in each functional area to assist the banks and financial institutions to maintain their competitive edge. The basic emphasis of such specialized programmes has been to dovetail new frontiers of knowledge with the practical nuances of implementation challenges involved in order to make them relevant to the practicing bankers. Lastly, with a view to providing more effective training, there are well-qualified faculty with wide exposure to modern methods of bank management, changing policy guidelines and also senior bankers.
While, it is not feasible to describe all the programmes conducted by the Institute, the following sections of the article highlight some important initiatives of the Institute.


In the same year, the Principals' Conference was organized to carry out a SWOT analysis of the training system. After the Conference, the Institute set up a Case Clearing House to promote the use of the case method in training. In 1979, training programmes were conducted for the bankers in Bangladesh, Nepal and Sri Lanka to share experiences of development banking in India.

In 1986, a Symposium on Community Management in Irrigation System, sponsored by the US Agency for International Development, was organized by the Institute and hosted by the RBI. The Institute also extended its facilities and faculty support to Asia-Pacific Rural and Agricultural Credit Association (APRACA) Sub-Regional Experts.

Programme on Banking for Namibian Students (1992). At the request of the Commonwealth Secretariat, London, a two-year training programme on Banking, specially designed for Namibian Students on the eve of Namibia becoming independent, was conducted jointly by NIBM and Bankers Training College (BTC), RBI. These students were the potential officers of the proposed commercial bank – Bank of Namibia. The objective of the programme was to equip them to carry out banking operations in the proposed bank independently.

In 1989 an International Bank Management Programme was conducted, specially designed for bank executives in developing countries. In 1990-91, four international programmes, two on Management Education and another two on HRM and Development Banking, were organized.

In 1990, a conference on Monetary Systems in India was held at NIBM which was addressed by the Deputy Governor, RBI. In the same year, the Top Management Conference for Chiefs of Public Sector Banks was conducted on the theme: Banking Industry in the 1990s. Subsequently, the same theme was the subject of another conference for Trade Union Leaders. A Conference of Chairmen of Private Sector Banks was conducted, focusing on issues related to Productivity and Profitability.

Trainings organized by the Institute in the 1990's included a Top Management seminars, followed by regional seminars on liberalization and its implications on Banking and Finance; a workshop on Case Method; programme on
Development of Women Managers in collaboration with All India Management Schools and the Canadian Consortium of Management Schools; Conference of Chiefs of Banks where the Governor & the Deputy Governor, RBI and other eminent personalities interacted with the chiefs. In the year 1999-2000, the Institute organized a Workshop on Y2K to create awareness and assess its implications.

During 2001-02, the Institute through its training paid attention to risk management in functional areas like ALM, treasury, credit, foreign exchange, etc. To elaborate, in order to usher international best practices, the institute conducted a programme on Credit Risk Analysis and Loan Portfolio Management in collaboration with KMV Corporation, a leading firm in Credit Risk Modelling in the USA.

Over the years advanced programmes were introduced such as programmes in Risk Management focussed on Pricing of Floating Rate Assets and Liabilities Products and Services; New Frontiers of ALM with focus on Duration Gap and Value at Risk to cope with the new standards and expectations of the RBI in the ALM exercise; Risk-Based Capital to work out the capital requirements as per the international best practices; Structured Finance and Asset Securitization to foster new learning in the changing landscape of banking and finance; Internal Credit Risk to take appropriate initiatives in Internal Risk-Based (IRB) approach in the Basel II era; Capital Adequacy; Risk Management and Profitability, etc.

A programme on Strategic Linkage to take a holistic view of the overall stance of the reform initiatives of the RBI and Non-SLR Investment Portfolio Management to upgrade the knowledge and skills of the senior executives of the banks was held. In addition, programmes were conducted on Integrated Treasury Operations, Technical Analysis for Forex Dealings, Derivatives and Risk Management, Rating and Risk Assessment, Advanced Programmes in Fixed Income Portfolio Management, Bourse Game; Technical Analysis for Forex Dealers; Forex Risk Management and Derivative Products, Quantitative Techniques for Risk Management, Commodity Future Trading, etc.

The Institute also offered programmes in Marketing Strategies for Competitive Advantage, New Product Development in Banking and Finance and Advertising and Corporate Communication, also drew strong acceptance from the system. Specialised programmes on Rediscovering Behavioural Competencies and Functional Skills in Women Managers were well received.

In 2006-07, a Joint India – IMF International Programme series was launched at the Institute which continued with a full stream for a considerable period of time. This collaboration helped in increasing the visibility of the Institute significantly in the international arena of banking and finance.
In 2008-09, the Institute in collaboration with the CME Group, Chicago conducted programmes on Financial Derivatives where the participants spent a full week at the CME Group for practical and hands-on exposure. In addition, the Institute, in collaboration with the FYSC, New York conducted programmes on Lending Strategies to SMEs, for which a host of new case studies from bank files were developed by the Institute.

Further, programmes on Financing of Infrastructure Projects and Debt Syndication, Leadership Development and Cyber Security and Data Warehousing, HRM in Banks, a National Conference on Emerging Macro Environment, Regulatory Changes and Bank Competitiveness were conducted against the backdrop of 2007-08 financial turmoil and the fresh financial crisis in Europe.

A Workshop on Application of Mobile Telephony for Development was organized in the Institute by the Commonwealth of Learning, in association with NIBM which provided an overview of the recent advances in the application of mobile telephone in support of livelihoods and strategies for delivery services including knowledge to farmers.

In 2012-13, a National Conference on Bank of the Future was organized to deliberate on Innovation led growth, Customer at the centre, Performance work culture and Technology at the Core of Business. Dr Janmejaya Sinha, Chairman, Asia-Pacific, the Boston Consultancy Group, inaugurated the Conference and guided on the economic and technological environment in which banks to operate and challenges arising from the increasing inequality in income between the top five and the bottom five nations.

During 2013-15, the Institute conducted a programmes on Leadership for Excellence in Banking and Finance in collaboration with Frankfurt School of Finance and Management, Frankfurt, Germany; a programme on Leadership Development for Corporate Excellence in collaboration with Kellogg School of Management, USA and, an Advanced Management Programme in collaboration with Asian Institute of Management Executive Education and Life Long Learning Centre, Manila, Philippines.

In 2015-16, an Advanced Management Programme (Focus: Strategic Thinking for Business Leadership) was held in collaboration with the Asian School of Management, School of Executive Education, Philippines, Manila.

In the year 2016-17, the Institute conducted an International Programme on Corporate Governance of Leadership for the top executives from the financial system. During 2017-18, the Institute held a customised programme for Sonali Bank for Foreign Exchange Dealers Association and also for Bhutan Development Bank. In recent years, the institute is organising many programmes in niche areas (Credit, Risk Management, Treasury and HRM).
and also in emerging areas (Digital Payment, IT Security, Audit Function, Stressed Asset Management, etc.) to address the industry needs.

**Management Education**

The year, 1977, marked a beginning of the long duration Management Education programmes for comprehensive development of bank executives to fill up the skill gaps for solving problems in banking and finance. These included a two-year duration Bank Management Programme (BMP) which was later reduced to a one year programme. Subsequently a Management Education Programme (MEP) with a duration of 12 weeks was launched in 1983. These programmes were designed for bank executives who were recently promoted into scale IV or equivalent to respective ranks. The objectives of the programme were to enhance the knowledge of modern management practices and techniques, develop skills in problem-solving and gain insights into the management of human resources for ensuring effective organisational performance.

In 1990, the Institute also organised International Management Education Programme, specially designed for senior executives from developing countries. As a next step in the field of Management Education, in 1982, the Institute introduced Advanced Management Programme (AMP) for senior and top management executives at the level of AGMs/DGMs to expose them to modern management techniques and skills being relevant for commercial banks also to give them a better perception of the present and future environments within the country as well as abroad.

The Institute also offered a one-year evening certificate course viz., Certificate in Management of Banking and Finance (CMBF) in 2005-06 meant for bank officers and students to progress in their career in Banking and Finance. Efforts of the Institute in Management Education continued through subsequent introduction of a Post Graduate course as well as E- Certification Courses.

**Sponsored Research**

The third major activity, Research, calls for a detailed discussion. The studies initiated by the faculty members form the foundation of various academic activities in the NIBM. Most of the research work seeks to address the existing and emerging issues in the banking system. The Institute also conducts Action Research Projects and also those projects sponsored by banks, FIs, RBI, Government and International agencies. Some of these studies assist in policy formulation as well as policy evaluation at the individual bank level as well as at the systems level. The outcome of the research studies forms as input in the Institute's training programmes, and is shared with concerned policymakers and published in the form of research papers. The Institute's research projects are funded by the Institute and sponsored organizations.
Research projects carried out by the institute faculty include projects in the area of planning for the banking industry and also individual banks. In the initial years, several studies were conducted on Branch Reorganization in Metro Cities was undertaken to develop new alternative models of branch structure. Similarly, at the request of Banking Laws Committee, a survey of law officers in banks was entrusted to the NIBM to suggest changes needed in the existing Banking Laws. The Institute conducted a study on Costing System for the banks for the purpose of Bank Profitability Analysis. The Institute devoted a significant time for studying the performance, branch expansion, growth in business and profitability and budgeting systems in PSBs.

Studies were undertaken in drought-prone areas in different phases in collaboration with IIM, Ahmedabad. A tribal development plan at the request of the Union Home Ministry and the Chota Nagpur and Santhal Paragana Development Authority was also developed. Another Social Sector project was sponsored by Development of Women and Children in Rural Areas (DWCRA), in Velhe block in Pune District. This project also received the attention of UNICEF, India and the Ministry of Rural Development, Government of India. In 1990-91, the Institute undertook a sponsored research for developing a lending policy for National Scheduled Castes and Scheduled Tribes Finance and Development Corporation, GoI. In 2000, the Institute released the Action Research project on SGSY which combined micro-finance and women empowerment.

A study was done on International Trade to assess India's trade with Asian countries. NIBM was associated with a committee, set up by RBI to examine the possibility of establishing a foreign trade bank in India.

Further, in 1976, a project on Company Finance was carried out with the help of the time series analysis of balance sheet and funds flow statement for 995 companies over a decade. It also covered a cross-section analysis and dispersion within each industrial group.

NIBM took initiative in setting up an Investment Dealers Club to facilitate Chiefs of Investment in banks to meet more often to review and reflect on their experience and present research studies. In 1990, NIBM and Discount and Finance House of India (DFHI) jointly organised, along with the Investment Dealers Club, a one-day conference on Money and Securities Market-Emerging Challenges which was addressed by both the Governor, and the Deputy Governor, RBI.

Other studies by NIBM include an Appraisal of Bank Lending to Industry, Annual Review of Borrowal Account and Takeover of Sick Companies, studies on Management Audit in Banks, Credit Rating.
NIBM also carried out a survey of 5000 customers across 10 major cities to study customer preferences for savings and deposit for State Bank of India. In another survey covering 2500 branches and 84000 customers launched by Indian Bankers Association (IBA), NIBM conducted a survey covering the southern region of the country to study customer satisfaction across public sector banks. Customer satisfaction surveys were also conducted for Canara Bank covering 7200 customers from 100 branches. These surveys helped banks devise strategies to improve customer satisfaction.

From the 1990s onwards the Institute initiated studies in specific domain areas like Risk Management, Asset Liability Management (ALM), Risk Mitigation Techniques and Strategies for many banks.

A major study on residential housing demand in India for National Housing Bank was also conducted in 2007. Another sponsored research was done on topic capacity building initiative on Sustainable Financial Market in India by International Finance Corporation, Washington.

The Institute also completed crucial assignments with respect to the merger of IDBI Bank and IDBI Limited. Followed by a study on the business development organization structure in the merger of United Western Bank Ltd with IDBI Bank Ltd.

An assignment on ‘Evaluation of Business Activities of the Beneficiaries Assisted under NBCFDC, Government of India schemes was also carried out by the faculty of NIBM. At the request of DICGC, RBI, the study team at the Institute prepared a draft report on credit guarantee scheme for education loan and estimated the fund requirement and guarantee fee. The report was submitted in 2014. The outcome of the study in the form of a credit guarantee scheme for education loans, was very much appreciated by the RBI and the banking industry from the point of view of its implementation.

Several research projects were carried out by the Institute. These include projects in Risk Management, Fixed Income, Forex and Derivatives for Bangladesh Bank; preparation of draft guidelines for Lead Bank Scheme for RBI; Projects on Innovative Approach to Microfinance, Training Needs Assessment, the study on the debt waiver and debt relief schemes for NABARD.

In 2014-15, the Institute completed five research projects which include: Impact of implementation of Ind-AS on credit ratings of borrowers, Branch risk profile, Formats for risk assessment under RBIA, Operation risk for capital estimation and Customer segmentation analysis and financial awareness among Gen Next.

Major studies completed in 2015-16 include: Bank Finance to the Service Sector, Operational Risk Capital Estimation, Credit Management in Banks, and Conducive Impact of Packing Credit against Short Term Bank Loan in financing exports.
Similarly, in 2016-17, the Institute completed two major research projects which include: Competency Profiling For Branch Heads In PSBs and Improving the Efficiency of Retail Systems in India.

In the next year, 2017-18, NIBM did two projects viz., Demystifying Yield spread on Corporate Bonds Trade in India and Market Risk Capital Charge under various Basel regimes and their impact on commercial banks in India.

Thus, the Institute has shown sufficient importance to research to analyse emerging issues concerning banking and bank management and suggest alternative solutions.

**Consultancy**

Providing consultancy support to banks, financial institutions, RBI, Government of India, etc. has always been a core function of the Institute. NIBM tries to provide customized consulting solutions to issues confronting in banking and finance.

Consulting projects have been carried out in several areas including Organizational Design and Development, Manpower Planning, Reorganization of banks, Setting up a system for computerized branch manpower inventory, etc. Consulting projects are also taken in the areas of Strategic Business Repositioning, Organizational Restructuring, Human Resource Development, Strategies for Productivity and Profitability, etc.

Towards the end of the 90s, the NIBM took the lead in assisting the banks and FIs in setting up their Integrated Risk Management System, Asset Liability Management System, Integrated Risk Management, Credit Risk Management, ALM, IT, HRM, etc. In response to requests from banks and FIs for IT support, in 2000-01, an in-house software development capability was created in the area of risk management, credit rating, management of investment portfolio, etc.

In 2000s, the consultancy projects completed include: Employee Development, Planning in Post VRS Scenario, Implementation of Citizen Charter, Customer Satisfaction Management, formulating Investment Policy for a bank, Convergence of IT and Business Plan of Select Banks, Strengthening of MIS in Urban Cooperative Banks under the Technical Assistance Programme (TAP) of the RBI and Implementation of Citizen Charter for the Ministry of Public Grievances and Pensions, GOI etc. Other projects include the design of Management Audit, Implementation of the Strategic Revival Plan for UCO Bank. The institute continued to work on consulting assignments in Risk Modeling, developed Credit rating models and evaluated the Lead Bank Scheme.
Interesting and critical projects are for Predicting Bank Capital Adequacy; developing Early Warning System for Off-site Surveillance; providing Mobile Cyber-friendly Modalities in Remote Rural Areas. In 2005-06, apart from designing an Integrated Approach to Risk Management for a public sector bank, the Institute undertook the task of designing 'Reorganization Exercise' for two banks. The Investment Management DSS and the ALM-DSS, developed in NIBM, were widely used by banks.

In 2007-08, a study on Technology Up-gradation for State Bank of Saurashtra was completed. A study on the Implementation of Citizen's Charter in PSBs 'on a sample of three banks evoked extensive interest in the Ministry of Public Grievances and Pensions and the study report was published by the Ministry. In 2015-16, major consultancy projects initiated include: Impact Assessment Study on Interest Rate Subvention Scheme for DGFT, Design and Implementation of Talent Management, Leadership and Succession Planning, Competency Mapping of AGMs and DGMs and Review of Information Security Policies of NABARD.

In 2016-17, an important consultancy assignment for Comptroller and Auditor General (C&AG) of India done on Audit of Recapitalization of PSBs. The report was tabled during the monsoon session of the Parliament in July 2017. During the year, the Institute also completed consultancy assignments on: Preparation of Treasury Manual; Competency Mapping and Succession Planning; Validation of Framework, Systems and Models used in Risk Management.

Recently the institute is engaged in consultancy projects on Review of Audit Function of Banks, Risk Model Validation, Competency Mapping, Costing, etc.

**Publication**

The Institute, since its inception, has been bringing out a variety of publications in the form of books, journals, reports, mimeographs and working papers in tandem with its research and training functions. Apart from books, the key segment of the publications consisted of reports of major studies and surveys.

A major activity has been the publication of the following two journals in English, the first one is Prajnan, a journal of Social and Management Sciences and a leading Refereed Quarterly Journal which was launched in 1972. The second is Vinimaya, introduced in 1979, which presents conceptual and practical viewpoints of both bankers and management educationists.

In 1985, the Institute Bankers' Brief, a weekly journal was introduced. In 1986, the Institute also brought out Foreign Exchange and International Finance, a quarterly journal, focusing on analysis and highlighting the issues in the area of foreign exchange and international banking from the point of developing countries. In 1993-94, NIBM published a book on 'Dissertations in Banking
and Bank Management - Abstracts', containing more than 60 projects. Each year, the Institute brings out a Compendium of the published papers, conference presentations and working papers which is released during the PGPBF/PGDM convocation. NIBM faculty also regularly publish papers in reputed national and international journals.

**Establishment of Training Institutes**

Along with core activities as discussed above, the Institute extended the necessary support to establish training establishments. To elaborate, at the request of IMF, the Institute was associated with Bangladesh Bank in developing the training system for the banks in the country. Under the World Bank Project, Nepal Rastra bank received the necessary support from NIBM to establish a training establishment in Nepal. NIBM also helped National Development Bank, Sri Lanka, to initiate its function of financing of SMEs. Similarly, NIBM made a significant contribution in setting up Indian Institute of Bank Management, Guwahati. In addition, the Institute continues its association with Indian Institute of Banking and Finance, Institute of Bank Personnel Services, Indian Banks Association, College of Agriculture Banking, Bankers Institute of Rural Development. In this way, there are many more organizations which are indebted to the Institute for advisory services rendered at the time of their establishment and subsequent development.

**Conference of Chairmen of Banks**

The first Conference of Chiefs of Banks, FIs, representatives of Ministry of Finance, and RBI senior executives was held on August 1972 to provide an opportunity to chiefs for a dialogue with one another and the top policymakers in the Planning Commission, Ministry of Finance and RBI on the rationale, directions, dimensions of development efforts and legitimate role of the banking industry in the entire process. Encouraged from the active participation of the top management in the first conference, the Institute continued to hold such conferences for top management personnel of Public Sector Banks, Private Sector Banks and Chiefs of Regional Rural Banks from to time. Along with these, conferences of chiefs of functional areas such as credit, investment, International Banking, IT, HRM, etc., are also organised from time to time to discuss issues related to the concerned functional area and work out suitable strategies to resolve them.

**Tandon Committee**

In 1975, the appointment of the Study Group (the Tandon Committee) by the RBI to frame guidelines for follow up of bank credit was a major step in the assessment of working capital of large borrowers and subsequent follow-up. The Institute not only played an active role in the thinking process of the Tandon Committee but also took concrete steps to facilitate the process of smooth implementation of the recommendations of the Study Group. These steps
include training of trainers, intensive seminars for senior executives, seminars for the industrial borrowers and assistance offered to individual banks in revising operating manuals. In 1976, the Institute held a Conference of Chiefs of Lending to discuss policy-related matters with a special reference to the Tandon Committee recommendations.

**Personnel Selection Services (PSS) Unit**

The PSS unit at NIBM needs a special mention, since it played a key role in the initial period. With the expansion of bank branches, a need was felt to recruit clerical staff and officers in a large number. Therefore, the Institute undertook the responsibility in the recruitment of clerical staff and officers, for which it formed a Task Force, consisting of bankers and experts to develop a battery of tests. When banks started approaching the Institute for designing test papers and their assessment, the PSS unit offered the required services professionally and with full transparency which was appreciated by the banking industry. Besides recruitment, the Institute developed tools/techniques for internal promotion of senior officers in banks which received a wider acceptance. The PSS unit continued its operations until Institute for Bank Personnel Services (IBPS) came into existence.

**Banking for Rural Development – Action Research Project**

During the latter part of the 70s, in line with national priorities, the Institute initiated several projects in the direction of rural development. The focus of these projects was to help accelerate the process of formation of Farmers Service Societies (FSS) as recommended by the National Commission on Agriculture which was expected to be linked with banks and RRBs to channelize the credit to small farmers. The findings of the team in their study had a bearing on the major policy issues relating to role of banks in promoting and development of FSS. The Institute also carried out a NABARD sponsored project on Maharashtra Rural Credit Project (MRCP) in 1997. The focus of the study was on promotion and development of Self Help Groups, mainly consisting of Below Poverty Line families, and their linkage to banks.

**Lead Bank Scheme**

The RBI asked banks to prepare and implement the Lead Bank Scheme and, NIBM took a major initiative in assisting the banks. Towards this end, the Institute conducted state level workshops on Lead Bank Scheme in the underbanked states like Assam, Bihar, Orissa, Uttar Pradesh and West Bengal. In these workshops, the Institute guided on preparation of a district credit plan as per the guidelines of the RBI. In other states like Karnataka, Kerala, Maharashtra, Manipur, Punjab, Tamil Nadu, Tripura, etc., the Institute shared the task of coordination of with the sponsor banks to prepare the district credit plan and implement. Besides holding a series of awareness programmes for different banks, NIBM prepared guidance notes and working papers for
documenting the process of implementation of the Lead Bank scheme in the shortest period. The initiative taken by the Institute in implementation of the scheme was very much appreciated by the banking industry.

Programme on Project Appraisal, Sponsored by World Bank

At the request of the World Bank Project and on the eve of setting up of National Development Bank in Sri Lanka for the financing of small and medium industries (SMEs). In 1978, NIBM organised three training programmes in Sri Lanka on Project Appraisal, each one having a duration of three weeks for branch managers. As many as 100 branch managers were trained to focus on new lending policies, credit schemes, procedures, due diligence in lending, and sharing of experiences of India in the related areas. In addition, another programme on Project Appraisal was held for Regional Managers. After these programmes, the newly set up National Development Bank of Sri Lanka started its function of financing and developing of SMEs in the country.

Long Range Planning in Banks

With the banking system poised for further growth coupled with wider responsibilities in the years to come, banks were expected to take a broader and longer perspective in planning for the future. This exercise helps in successfully meeting the growing expectations of the society notwithstanding the uncertainties which cloud their operative environment. In the Conference of Chairmen of banks organized by the Institute in 1983, it was strongly favoured the idea of initiating a Long Range Plan (LRP) in the banking system. As a first step, the Institute held a seminar for General Managers (Planning) of various banks to focus their attention on LRP. The seminar functioned as a forum for dissemination of information and exchange of ideas on the philosophy, concept, and process of LRP. The seminar also identified an action plan for NIBM to provide technical support for the introduction of LRP in banks.

National Bank Plan

The Indian Banks’ Association (IBA) sought academic support from NIBM to prepare a preliminary National Bank Plan – Phase I, covering the period of 1988-90. The NIBM was actively involved in preparation of the draft plan, through involvement of few faculty with the Working Group set up by Indian Banks’ Association. The final version of the National Banking Plan – Phase I was prepared and placed before IBA in 1988 which, subsequently, disseminated the report amongst all the concerned. Later on, IBA approached NIBM to associate with the Working Group set up for preparing the draft National Banking Plan - Phase II. As part of the task assigned, the NIBM faculty team discussed with the top management of banks so as to seek a consolidated consensus view from the banking system on how the banking institutions would effectively contribute towards national development within the broad perspectives of the Eighth Five Year Plan. The draft report of the Banking Plan- Phase II was prepared by NIBM in 1989 and presented to IBA.
**Post Graduate Diploma in Management – Banking and Financial Services**

A major breakthrough took place in Management Education in 2003-04 when the Institute introduced Post Graduate Programme in Banking and Finance (PGPBF) which was found to be unique in enabling the students to possess sound analytical foundation and innovative outlook in banking and finance and have a strong flair and practical orientation to the nuances of banking and finance. The duration of the programme was of one-year. This was very well received by the banking industry in terms of cent per cent placement in banks and FIs. Keeping in mind the expectations of the banking system, the Governing Board of the Institute decided the PGPBF to move over to a two-year format from 2009-10. In 2013, the All India Council of Technical Education (AICTE), Government of India, granted approval to the Post Graduate Programme, renamed as Post Graduate Diploma in Management (PGDM) – Banking and Financial Services. Currently, PGDM is highly recognised in the banking and financial sector which is evident from the cent per cent placement.

**Gyan Sangam : Bankers’ Retreat at NIBM**

The Retreat for Banks and FIs called ‘Gyan Sangam’ was jointly organized by Department of Financial Services (DFS), Ministry of Finance, Government of India, Centre for Advanced Financial Research and Learning (CAFRAL) and National Institute of Bank Management (NIBM), which was held on January 2 and 3, 2015 at NIBM Campus, Pune.

The objective of this Retreat was to arrive at a common understanding among the professionals, regulators and the government on the reforms in the Public Sector Banks (PSBs) in the current economic situations. More than one hundred delegates from all over India attended the Retreat including : Secretary, Department of Financial Services (DFS), Officers of the DFS, Regulators – Governor, RBI, Chairman, IRDA, and Chairperson, PFRDA, Chairmen and EDs of PSBs, Chairmen & EDs of FIs and Chairmen of Insurance Companies (LIC and GICs). In addition, several experts from the Banking Sector and Director and Faculty of NIBM and CAFRAL participated in the Retreat. The Retreat was inaugurated by the Minister of State for Finance, Government of India (GOI). The Honourable Prime Minister also addressed the gathering. At the end of the meet, a summary of recommendations of the Retreat was presented to the Honourable Prime Minister.

The Gyan Sangam was first of its kind in the history of public sector banking in India, which was a morale booster to PSBs. The entire exercise in the Retreat was towards drawing a blueprint on how to improve the efficiency of the PSBs.

**Online Certification Course**

The recent initiative is the introduction of OnLine Certification Courses in 2016-17. These are being introduced to improve skills and competencies of
officials of banks in five areas viz., Credit Management, Risk Management, Treasury Management, Accounts & Audit and Retail Credit Management. Indian Banks Association (IBA) shortlisted NIBM as one of the training institutions for delivering these certification courses. These have been designed to be blended with a mix of online and classroom learning. The Online component is based on open-source platform ‘Moodle’, which provides the participants all the course material including practising quizzes to study at their own pace. The classroom learning experiences provided through video-based sessions, which are also provided on the Moodle platform. An extensive system for evaluation has been set-up for obtaining the certification by the participants. The evaluation of the participants is done through Moodle tests at different stages, assignments and final examination. There has been an overwhelming response from officers from banks and financial institutions to the online courses.

**Looking Ahead**

According to the Financial Stability Report – June 2019, in terms of the overall assessment of the systemic risk of India’s financial system remains stable in the backdrop of improving resilience of the banking sector. Consequently, credit growth of Scheduled Commercial Banks (SCBs) has picked up, public sector banks registering near double-digit credit growth. Capital adequacy of banks has improved after the recapitalisation of PSBs and likely decline in gross non-performing asset (GNPA) ratio from 9.3 per cent in March 2019 to 9.0 per cent in March 2020 due to effective resolution of stressed assets under Insolvency and Bankruptcy Code (IBC) and timely identification of stress in the account.

All these positive developments suggest that opportunities for banks to step up credit and investment growth are brighter in the near future. However, learning from the past unpleasant experiences in lending and investment leading to high GNPA ratio, banks’ future decisions have to be more professional, in compliance of due diligence and on the lines of best practices, besides strengthening governance system. New challenges have emerged in the form of the liquidity crisis in Non-Banking Finance Companies (NBFCs). NIBM shall have to continue to extend the need-based training and advisory services based on input from its research studies. In addition, NIBM’s efforts to create a pool of potential bankers through its management education courses need to be strengthened.

Currently, the Institute’s activities are spreading beyond the banking into the broader financial system, and these are now covering banks and financial institutions in other developing countries as well. Also, the Institute has diversified its nature and types of training programmes, subjects for research as well as coverage of consultancy services, keeping in mind modern methods of management, regulatory concerns and global best practices.
Thus, all these trends in the Institute's activities shall continue to search for emerging challenges in an effort to dedicate to the golden mandate of playing the role of a ‘think tank' for the banking system. Further, the Institute shall move towards achieving the position of preferred partner for enabling vision, strategies, organizations, systems, technical, managerial and leadership competencies in the banking and financial sector.

The task is daunting and expectations are high, but so is the commitment of the Institute to its purpose, keenness to perform and deliver. Now, the Institute is on the threshold of making a new stride, and is not only meeting the emerging needs of the banking and financial sector, but will also be able to forge alliances with reputed institutions abroad. It is also appropriate for the Institute to make the presence of the Institute felt in the neighbouring countries by conducting onlocation programmes and, this will give additional opportunities to broaden the vision and understanding of the realities market in those countries. From the past remarkable performance of NIBM during the glorious five decades, it is certain that the Institute will continue to rededicate itself to work with the banking and financial institutions to build a new future for the banking system.

References
6. Archive Events, Programmes and Photos.